

Immediate Plan of Action for FAO Renewal Chair's Executive Summary

- 1) At its session in 2007 the FAO Conference required the Conference Committee to present an Immediate Plan of Action for follow-up to the Independent External Evaluation, including elements of a new FAO Strategic Framework and Medium Term Plan (Resolution 5/2007). The Conference Committee's report responds to this mandate. The evaluation "found that the world needed FAO, but a more relevant, effective and efficient FAO, with more precise priorities". It made over 100 recommendations as a basis for Members' decision-making on a package for FAO Renewal.
- 2) The 2007 Conference welcomed the results of the evaluation and the Director-General's Management Response. It established a Conference Committee, open to participation by all Members of the Organization, and gave it one-year within which to present proposals for the Immediate Plan of Action. In ten months of intensive activity, operating through three Working Groups and supported by FAO's management, the Committee carried out a detailed analysis of the IEE findings and management's response, and then elaborated its own set of recommendations which it is now submitting to the Special Session of the FAO Conference. The recommendations have the consensus of the membership and the full support of the Director-General and management.

The Immediate Plan of Action details the actions to be taken for FAO **Reform with Growth**, their timing and the resource implications, in terms of costs and savings. It will be completed by an Addendum being issued at the end of October which will include greater precision on the Costs, Savings, Resource Requirements and the Implementation Schedule.

The Immediate Plan of Action is divided into the following main sections:

- **Priorities and Programmes of the Organization:** This section details the new results-based framework proposed for the design of all the Organization's programmes, the Global Goals, Strategic Objectives and approach to priority setting and resource management. The orientation of FAO will move from what it does to focus more on impacts for Member countries both nationally and globally;
- **Governance Reform:** This section addresses efficiency, effectiveness and member ownership. Measures are proposed to strengthen FAO Governing Bodies' distinct role in assuring global policy and regulatory coherence and their role in exercising executive oversight, while respecting the separate roles of the Governing Bodies and management;
- **Reform of Systems, Programming & Budgeting, Culture Change and Organizational Restructuring:** This section puts forward a detailed series of measures for reform of the programming and budgeting cycle and for mobilisation of voluntary contributions into a unified programme, with priorities clearly defined by the Membership. It also proposes measures to: delegate responsibilities with accountability; strengthen human resources; administrative improvements; and for strengthening the effectiveness of both the headquarters and decentralised offices, while freeing up resources for direct technical work;
- Implementation of the Immediate Plan of Action, including both Governance and management follow-up arrangements; and
- Summary of Costs, Savings, Resource Requirements and the Implementation Schedule for 2009-2011.

Results-Based Planning and Implementation

- 3) The new Strategic Framework and Medium Term Plan will have an integrated results-based structure. It will provide a foundation for “*Reform with Growth*”, prioritising and focusing work in line with Members’ needs, clarifying the means-ends relationships through which FAO will contribute to agreed impacts in, and for, member countries. It will shift the Organization’s focus from what it does with assessed contributions to what it intends to achieve through the application of both assessed and voluntary contributions.
- 4) The enhanced results-based approach to programming consists of a hierarchy, where:
 - a) **FAO’s Vision and three Global Goals** represent the fundamental development impacts, in the areas of FAO’s mandate, which the member countries aim to achieve;
 - b) **Strategic Objectives** contribute to the Global Goals and express the impact, in countries, regions and globally, expected to be achieved in a ten-year time horizon by Members with contributions from FAO;
 - c) **Organizational Results** define the outcome expected from the use by member countries and partners of FAO’s products and services in the pursuit of each Strategic Objective; and
 - d) **Core Functions** represent the critical means of action to be employed by FAO to achieve results, drawing on the Organization’s comparative strengths.

Clarity of Strategy Objectives and Focus in FAO’s Priorities and Programmes

- 5) **Prioritisation and Focus of Organizational Results:** Prioritisation and focusing of FAO’s work is essential at all levels of the Results-Based Framework and is particularly critical at the level of Organizational Results to achieve greater efficiency and effective delivery of services to Members and other stakeholders. FAO must respect its responsibility to promote action on all aspects of the mandate and resources must be allocated for Organizational Results that clearly contribute to the achievement of the Strategic Objectives. Within this context absolute priority needs to be accorded to Members’ existing needs and meeting emerging challenges.
- 6) It is at the level of Results that the major outcomes of FAO’s work are elaborated in such major areas as the “Right to Food”, and the related issues of an enabling environment for increased food production and the access to that food of those who most need it. This includes support to the development of the essential policy frameworks and national institutional capacities. It is also at this level that specificity is given to FAO’s work on such important regulatory areas as food safety. The achievement of Organizational Results will integrate outcomes from the application of both assessed and voluntary contributions.
- 7) Targets and indicators to permit assessment of progress are being defined for Organizational Results and a results-based monitoring system will be established. The same system and data will also facilitate impact assessment at the level of objectives through evaluation. This major innovation in the way in which FAO plans, implements and assesses its work will feed back into management decision-making and facilitate Governing Body oversight, both of the use of all resources in line with agreed priorities and of their effectiveness in terms of benefits to individual member countries and the global community.
- 8) In further developing the priorities for the Medium-Term Plan 2010-13 and Programme of Work and Budget 2010-11 during 2009, Members will work closely with management through the planned Conference Committee in undertaking an analysis of Members’ needs. This will be combined with a structured analysis of the potential for application of the Organization’s strengths, as embodied in the Core Functions, each underpinned by a strategy to ensure coherent and cooperation approaches, among organizational units and the pursuit of excellence. The analysis includes such considerations as: organizational performance in each area of work; existing technical capacity, including for cross-disciplinarity; and the integration of strengths in advocacy, normative work and technical cooperation. This analysis will recognise that there are areas of need where FAO will have to strengthen its capacity to provide services. Considering the breadth of FAO’s mandate and the limitations on resources, considerations will include the availability to Member countries of alternative sources of supply for the

service or product and FAO's comparative strengths. The avoidance of duplication and working in partnership will be essential, in particular with other organizations in the UN system, but also with non-UN entities, both public and private.

FAO's Vision and Global Goals: *FAO's vision is of a world free of hunger and malnutrition where food and agriculture¹ contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner. To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of three global goals:*

- *reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which all people at all times, have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;*
- *elimination of poverty and the driving forward of economic and social progress for all with increased food production, enhanced rural development and sustainable livelihoods;*
- *sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.*

FAO's Strategic Objectives:

- *Sustainable intensification of crop production*
- *Increased sustainable livestock production*
- *Sustainable management and use of fisheries and aquaculture resources*
- *Sustainable management of forests and trees*
- *Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture*
- *Improved quality and safety of foods at all stages of the food chain*
- *Enabling environment for markets to improve livelihoods*
- *Improved food security and better nutrition*
- *Improved preparedness for, and effective response to, food and agricultural threats and emergencies*
- *Gender equity in access to resources, goods, services and decision-making in rural areas*
- *Increased and more effective public and private investment in agriculture and rural development*

Main Core Functions:

- *Monitoring and assessment of long and medium -term trends and perspectives*
- *Assembly and provision of Information, knowledge and statistics*
- *Development of international policies, norms and standards*
- *Policy and legislative options and advice*
- *Technical support for access to technical knowledge and capacity building*
- *Advocacy and communication*

9) Guiding principles in reformulating FAO programmes, will be to:

- a) support countries in developing their policies and building their capacities for action in areas that can stimulate sustainable development of food production, food security and pro-poor economic growth;
- b) foster progress in the global and regional conditions for development through policy and regulatory coherence and the availability of information to underpin national development; and
- c) assist the global community and individual member countries in addressing emerging issues, such as those of climate change and high food prices.

¹ Agriculture encompasses all aspects of crops, livestock, forestry and fisheries.

10) Other major tools which will inform the development of the Organizational Results and Strategic Objectives, include:

- a) national medium-term priority frameworks developed with individual governments to focus FAO's efforts on national needs; and
- b) the development of sub-regional and regional areas of priority action.

11) **Impact Focus Areas** contribute to Strategic Objectives and their Organizational Results. They will:

- a) help mobilise resources for priority groups of results which could benefit from additional funding, acting as "flagships", providing a communication and advocacy tool to better attract voluntary extra-budgetary resources and partnerships to supplement assessed contributions;
- b) progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions;
- c) primarily address issues of priority to developing countries with emphasis on capacity building and getting policy frameworks right; and
- d) facilitate Governing Body oversight of the use of extra-budgetary resources in line with agreed priorities.

12) **Functional Objectives:** To ensure that all aspects of the Organization's work are established in a results-based framework, including its administration and processes, two Functional Objectives have been defined. These will have targets and indicators for their results and assist the Organization to continuously improve not only the relevance and impact of its technical delivery but also its efficiency and contribution to the achievement of Strategic Objectives:

- a) Effective collaboration with member states and other stakeholders such as research, professional and civil society organizations (partnership and communication); and
- b) Efficient and effective administration.

Enhancing governance and oversight

13) Important changes are envisaged in the functioning of the FAO Governing Bodies, to:

- a) strengthen focus on fostering global and regional policy and regulatory coherence and addressing emerging issues;
- b) improve the meaningful participation of the membership in policy setting and oversight for the work of the Organization, including greater ownership of their own agendas,
- c) minimize duplication and clarify the responsibilities of and division of labour between the Conference, Council and Committees, including making the Regional Conferences part of the governance structure;
- d) introduce greater flexibility and responsiveness in working methods;
- e) improve the information available to Members for decision-making in the election of the Director-General; and
- f) facilitate more effective evaluation and audit.

14) **The Conference**, as the ultimate decision-making body of the Organization, fulfils a dual governance function. It addresses the global issues of food and agriculture, and it exercises authority over the Organization itself. In the past few years the Conference has been perceived as concentrating on management of the Organization, at the expense of its engagement with major policy issues. In future the Conference will receive inputs from two better-defined governance streams. In giving more attention to promoting global and regional policy issues and regulatory frameworks, it will act on the basis of recommendations primarily from the Technical Committees and the Regional Conferences. To fulfil its function in governing the Organization, it will receive clear and action-oriented recommendations from the Council. Rather than meeting in November of the second year of the biennium, as has been the case up until now, the Conference will meet in June to permit more orderly planning and oversight of the FAO programme and budget process.

15) **The Council:** While fully respecting the divisions of responsibility between management and the Governing Bodies, the Council will develop its executive governance role, drawing on specific advice from the Programme and Finance Committees. It will meet flexibly and for variable lengths of time, including a more operational scheduling of its sessions in relation to those of the Conference and of the Programme and Finance Committees. It will exercise more effective oversight and monitoring of both extra-budgetary and human resources. The Council itself will also be required to make more specific recommendations to the Conference, particularly as regards the Programme of Work and Budget of the Organization.

16) **Election of the Director-General:** The Director-General's term of office will be changed to four years, renewable once only. Processes will be strengthened to bring potential candidates to the attention of their respective governments and provide greater opportunities for Members, meeting in the Council and the Conference, to appraise candidates prior to the election.

17) **Evaluation and Audit:** Measures are also recommended to ensure further independence and transparency in the evaluation and audit functions, and an enhanced role of the Governing Bodies with respect to both.

Improving performance

18) **Programme and budget process and Resource Management:** The governing body cycle of meetings will be adjusted to ensure a fully consultative and seamless process, which enables the Membership to make clear cut and timely decisions on budget, priorities and expected Organizational Results. A much more integrated approach will be adopted to the management of funds from different sources to encourage voluntary contributions which address main priorities and supplement assessed contributions and to ensure governance oversight of those funds.

19) **Administrative and management systems:** There is general agreement that rigid *ex ante* controls and insufficient delegation have had a negative impact on both efficiency and on staff motivation. A number of immediate improvements have already been achieved through delegations of authority, and management is taking early action on a series of other proposals which fall within the Director-General's authority. A Root and Branch review by a leading management consultancy firm, to be concluded in 2009, is expected to provide a basis for further efficiency and productivity gains in administrative functions.

20) **Human resource policies and practices:** Reforms recognize the staff of the Organization as a fundamental asset and put in place a programme of change aimed at increasing transparency, professionalism and competition in recruitment and promotion at all levels, including for the most senior staff and for consultants. The measures also address issues of gender and geographical balance in staffing and include encouragement of staff mobility and rotation between Headquarters and the decentralized offices. The essential questions of staff accountability and motivation are being addressed, with policies for appraising performance based on realistic targets linked to organizational results as well as job competencies and objective assessment criteria.

21) **Restructuring of Headquarters and decentralized offices:** Organizational changes will increase effective decentralization and responsiveness to member countries. Reporting lines for FAO Representatives in member countries will be modified, and a review will be undertaken in 2009 with the aim of making country office coverage more effective. The elimination of one major department and a further integration of various organizational units at Headquarters will help to break down "silo" structures and increase the potential for interdisciplinary work. Resources will be specifically earmarked for such work. Significant savings are expected at managerial level, both through merging of units and through delayering of posts in the managerial hierarchy with redeployment of resources to priority technical work and a strengthening of senior expertise at the technical level.

22) **Culture change and partnerships:** Culture change is fundamental to the successful reform of FAO, and a process aiming to achieve it will require high levels of participation and improved communication, horizontally and vertically, within the Organization. The Conference Committee has welcomed the

establishment by management of a culture change team, as well as the planned appointment of an Ethics Officer and establishment of an Ethics Committee. An essential element of culture change is the development of greater openness to collaboration with other organizations, both to maximize the cost-effectiveness of services to Members and to improve business efficiency through the sharing of services. The Governing Bodies as well as management will pursue the possibilities for partnership with other organizations, in particular the Rome based food and agriculture organizations IFAD and WFP. FAO will play its role as a collaborative partner in overall reform of the UN system.

Follow-up and Implementation of the Immediate Plan of Action

23) The 2008 Special Session of the Conference is recommended to establish a Conference Committee, working closely with the Council and the Programme and Finance Committees to complete outstanding areas of work under the Immediate Plan of Action, including finalization of the Strategic Framework and Medium Term Plan and the follow-up to the Root and Branch Review on all aspects of administration.

24) The Council will monitor progress and provide for full accountability on the implementation of the Immediate Plan of Action.

25) Management has put in place a management and decision-support structure for implementation of the Immediate Plan of Action with a specialized internal team to implement the eventual action programme resulting from the Root and Branch Review.

26) Change will be pursued urgently but will also be carefully sequenced to improve performance and ensure efficiency gains as rapidly as possible while maintaining the Organization's delivery capacity. The first year (2009) will see the initiation of restructuring within the Organization and pursuance of reforms in human resource and administrative systems. The revised Strategic Framework, Medium Term Plan 2010-13 and Programme of Work and Budget for 2010-2011 will be prepared, bringing together both assessed contributions and projected voluntary contributions. Also during 2009, the changes necessary to the basic legal texts of the Organization will be developed for approval by the full membership at the Conference in November 2009. The full start of the new governance cycle with the move of the Conference session from November to June, in the second year of the biennium, and a corresponding shift in the dates of all other Governing Body meetings will take place from the 2010-11 biennium.

27) FAO is needed as a reformed, efficient and effective partner in the multilateral system, but the changes outlined above cannot take place without resources. In the spirit of reform with growth, the savings will be ploughed back into the programmes of the Organization. Resources are needed to kick-start the process and they will provide a high return on investment, in particular by assuring early benefits to Members from concentrated delivery on Strategic Objectives and rapid progress in organizational and administrative reform.