

**First Draft CoC-IEE Report to the
35th Special Session of the FAO Conference
November 2008**
(incorporating the Immediate Plan of Action
which includes elements of the
Strategic Framework and Medium-Term Plan)

The draft is for consideration by the CoC-IEE Working Groups and amendments prior to consideration by the Conference Committee (CoC-IEE), it being clearly understood that no conclusions of the CoC-IEE are final until decision has been reached in the full Committee

(The Director-General may provide a separate Report to the Special Session or a note within the Introduction to the Report of the CoC-IEE)

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To come

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To come

I. Introduction

To come

II. Draft Resolution of the Special Session of the Conference

To come

III. Recommendations for the Future - Immediate Plan of Action

A. *FAO Vision and Programme Priorities*

.....below to come.....

Priorities and Programmes of the Organization

(to come - major section and annex)

1) Priorities and Programme adjustments for the period 2009-2011 and Major Elements of the long-term Strategic Framework and Medium-Term Plan (based on draft prepared by management)

- Elements of a Strategic Vision (Strategic Framework)
- The Goals of Member Nations (Strategic Framework)
- Strategic Objectives (Strategic Framework & Medium-Term Plan)
- Results Framework and Impact Focus Areas (Medium-Term Plan)

Notes

- Agreed that gender will be integrated into overall Strategic Framework and MTP – no longer a separate Conference document

Immediate Priorities and Programme Adjustments (2009-2011)

(to come)

(based on draft prepared by management)

.....above to come.....

B. Governance Reform

Governing Bodies

- 2) There are two major and distinct functions of FAO Governing Bodies:
- a) on behalf of FAO's stakeholders, the global review of the world food and agriculture situation and the pursuit of global and regional policy coherence between governments on major international issues for food and agriculture, together with the design or adjustment of the international instruments, including treaties, conventions and regulations (global governance) which deserves greater attention, and
 - b) the executive policy decision making and oversight for FAO as an Organization, including its programme and budget which also needs to become more effective and efficient.

Global and Executive Governance - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium	
	No	Action			Cost US\$ (million)	Year (s)		
Governance priorities:								
4.4 & 4.5		a) Global governance: Systematically review the global situation to determine those issues requiring priority initiative for greater policy coherence and study current regulatory frameworks to determine areas requiring early action by FAO or in other fora.	Conference Technical Committees Management	2009	0	-	0 (RP priority)	
		b) As appropriate consider issues relating to food and agriculture being developed in other fora than FAO and provide recommendations to those fora	Conference Technical Committees	2010-11 biennium continuing	0	-	0 (RP priority)	
		c) See also below – for roles of the various Governing Bodies	Governing Bodies	(see below – with respect to each Governing Body)				
		d) Executive governance: Strengthen roles and coverage of Governing Bodies (see below)	Governing Bodies	(see below – with respect to each Governing Body)				

FAO Conference, Council & the Programme & Finance Committees

3) **The FAO Conference:** The distinctive functions of the FAO Conference will be further emphasised, reducing duplicative discussion with the Council. The Conference is fully representative of the membership as a whole and includes specialists in its Commissions to a much greater extent than the Council as do the Technical Committees which are also made up of specialists. The Council already concentrates on executive oversight of the FAO secretariat, its budget and programmes and this will be further reinforced. The Conference will:

- a) be the ultimate venue for discussion and decision on global governance issues, following their discussion in, and the receipt of recommendations from, the Technical Committees and the Regional Conferences;
- b) make the final decision on the objectives, strategy and budget of the Organization following receipt of recommendations from the Council (see below Programming and Budgeting

Process).

4) A series of measures were also agreed to make the Conference more action orientated, focused and attractive to participation by Ministers and senior officials.

5) **The FAO Council** will further develop its executive governance role, meeting more flexibly and for shorter periods and concentrating on making clear decisions. It will play a more dynamic role in the development of the programme and budget and extend its oversight and monitoring function particularly with regard to areas at high risk, extra-budgetary funding and human resources.

Issues of membership of the Council remain to be further considered in

6) **The Programme and Finance Committees** will strengthen their advice to the Council. They will assume more responsibility for their own agendas and meet more flexibly and for shorter sessions in order to provide improved oversight and more dynamic guidance to the Council, making clear recommendations and giving more attention to policies, strategies and priorities.

7) **The Independent Chairperson of the Council** will play an enhanced facilitation role in further empowerment of the Council to better play its role in governance and oversight and this will require her/his extended presence in Rome. The role of the Independent Chairperson will be specified in the Basic Texts.

Regional Conferences & Technical Committees

8) **Regional Conferences** will constitute a formal part of the governance structure and will have an important potential role to play in governance for: policy coherence for development in their region; discussion of global priorities as they relate to the region; and in advising on FAO priorities for the region. This role may vary from region to region. They will become a full part of the governance structure, feeding into the Conference and Council.

9) **Technical Committees and Ministerial Meetings:** The Technical Committees are fundamental to FAO's work. They are committees of the whole membership and have distinct roles: Firstly developing global information exchange, policy coherence and instruments for their area of competence; and secondly providing guidance to the Governing Bodies on the Strategy and Programme of the Organization. They will be more systematically used to develop work on global issues, for example food supplies and climate change. Ministerial meetings will be convened when matters developed at technical level need political endorsement or more visibility and this cannot be adequately dealt with in the Conference or Technical Committees. Both technical committees and ministerial meetings, as committees of the whole deal with world issues as well as FAO's programme and will have direct access to the FAO Conference. The conferences of parties for treaties and conventions, other statutory bodies, such as those in fisheries, and bodies such as the Codex Alimentarius Commission will in future have a direct line of communication through the appropriate technical committee of the FAO Governing Bodies.

Reform of the Governing Bodies – Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
The Conference: A series of measures were agreed to make the Conference more effective in international policy coherence and regulation (global governance) and in making final decisions on the priorities, strategies and budget of FAO							
4.7 a)		a) Each session of the Conference to have one major theme, recommended by the Council	Conference/Council	2010	0	-	0
4.7 a)		b) Conference it will give more attention to global governance functions acting on recommendations of the Technical Committees & Regional Conferences and where appropriate, Council (it will receive directly the pertinent sections of Technical Committee and Regional Conference reports)	Conference	2009	0	-	(see g)
4.7 c) & 7.3		c) Conference will meet in June of the second year of the biennium	Conference	2011	0	-	0
4.7 c)		d) Conference will decide Priorities, Strategy and Budget on the basis of a Council recommendation (see Programme and Budget Procedure below)	Conference	2009	0	-	0
4.15 c)		e) Conference report will concentrate on decisions especially resolutions (the verbatim will provide the detail and be published in all languages)	Conference	2009	0	-	(see g)
4.7 a)		f) There will be a reduction in formal sessions and more side events	Conference	2009	0	-	0
4.15		g) Changes in practice will be introduced, including ways of working and reporting lines as detailed below with respect to the various Bodies	Conference	2008	0	-	0.2
4.15		h) Basic Text changes for functions, reporting lines, etc. as detailed in the Action Matrix	Conference	2009-2011	0	-	0

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
The Council:							
4.8		<p>a) Will further develop its executive governance role meeting, more flexibly and for shorter periods and concentrating on making clear decisions. Will exercise the following functions of Governance which will be clarified as necessary in the Basic Texts</p> <ul style="list-style-type: none"> • the major role in defining and advising on: <ul style="list-style-type: none"> ◆ strategy and performance measures for the Governing Bodies; ◆ monitoring and reporting performance against these measures; and ◆ strategy, priorities and budget of the Organization; • agree on the overall programme of work; • decide on major organizational changes; • monitor the implementation of governance decisions; • exercise oversight ensuring that: <ul style="list-style-type: none"> ◆ the Organization operates within its financial and legal framework; ◆ there is transparent and independent evaluation of the Organization's performance in contributing to its planned outcomes and impacts; ◆ there are functioning results-based budgeting and management systems; ◆ policies and systems for human resources, information and communication technology, contracting and purchasing, etc are functional and fit for purpose; ◆ extra-budgetary resources are effectively contributing to the Organization's priority goals; and <p>ii) will monitor the performance of management against established performance targets.</p>	Conference	Decision 2008 Implementation 2009 onwards	0	-	-
		b) Will make clear recommendation to Conference on the Programme and Budget Resolution including the budget level	Council	2009	0	-	0
4.8		c) Will meet more flexibly for shorter sessions, desirably with a short meeting after each session of the Programme and Finance committees. The meeting of the Council to prepare the Conference will be at least two months prior to the Conference, so that recommendations can be taken account of.	Council	2010	0	-	2.1
		d) The Council Report will concentrate on resolutions, decisions and recommendations (verbatim to provide detail and be published in all languages)	Council	2009	0	-	1.3
4.8		e) Will no longer discuss global governance issues, unless there is an urgent reason to do so (to be handled by the Technical Committees and the Conference)	Conference	2009	0	-	0
4.8		f) Will revise membership (term to become two years, rather than three at present)	Conference	To be further considered			
4.15		i) Will introduce changes in practice, including ways of working and reporting lines (see below with reference to other bodies)	Council	2009-11	0	-	0

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
4.15		j) Introduce Basic text changes for functions, reporting lines, etc.	Conference	2009-2011	0	-	0
The Programme and Finance Committees:							
4.9 & 4.17		Programme and Finance Committees - Clarifications of functions and ways of working will be introduced immediately in practice and followed-up by Basic Text Changes, including on clarification of functions. a) Programme Committee functions will include, in addition to programme priorities and strategy: consideration of field and decentralized work; priorities for the Organization to address in developing global policy coherence and regulation; and partnership and coordination with other organizations for technical work; b) Finance Committee will cover all aspects of administration, services and human resources as well as finance; c) the two Committees will hold more joint meetings the discussion will be in joint session and whenever there is overlap in the discussion or the two committees contribution will have a strong complementarity.	Conference	2008	0	-	-
4.15		b) Introduce changes in practice, including ways of working (see below)	Conference/Council	2008	0	-	1.5
4.15		c) Introduce Basic text changes for functions of the committees	Conference	2009-2011	-	-	0
4.9 & 4.17		Programme and Finance Committees Membership, chairs and observers: - Changes to be introduced in the Basic Texts. The members are countries not individuals and in nominating them countries are requested to give due regard to proposing representatives with the necessary technical qualifications, and: a) chairs will be elected by the Council in a personal capacity and will not occupy seats of their electoral groups or represent a region or country; b) countries will continue to be able to replace their members if they become unavailable before the expiry of their term of office. If a member cannot be present for a meeting, he or she may be substituted by another member from their electoral group, thus avoiding that a seat remains empty during a meeting; c) the membership of the Committees will each be increased, in addition to the Chair, to eight representatives of Africa, Asia, Latin America and the Caribbean and the Near East and four representatives of Europe, North America and the South West Pacific (1+8+4); d) committees will be open to non-speaking observers;	Council	2011	0	-	-
The Independent Chairperson of the Council							
		Revise Basic Texts to specify enhanced facilitation role for the Independent Chairperson of the Council for the work of the Council. The Basic Texts will make it clear that the Chair has no executive functions and thus no overlap of roles with the Director-General.	Conference	2009	-	-	0

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Regional Conferences:							
4.13		<p>Regional Conferences: Changes in lines of reporting, functions and ways of working will be introduced immediately in practice and followed-up by Basic Text changes, including Changing the status of the Regional Conferences to Committees of the FAO Conference:</p> <p>a) Functions will include:</p> <ul style="list-style-type: none"> • Develop issues for regional policy coherence & regional perspective on global policy issues & regulation – reporting to the FAO Conference • Advise the Council on FAO programme for the region • Exercise an oversight function for FAO programmes in the region – reporting to the Council <p>b) FAORs, and relevant regional and headquarters staff will attend the Regional Conferences</p> <p>c) Ways of working – Regional Conferences will:</p> <ul style="list-style-type: none"> • be convened at the request of the Members of FAO from the region and with full consultation among members on agendas, formats, duration & need for the Conference • appoint a rapporteur, normally from the same country as the Chair. The Chair and rapporteur will remain in office between sessions and the Chair or if more appropriate the rapporteur will present the regional conference report to the FAO Council and Conference • to the extent possible, hold sessions in tandem with other inter-governmental regional bodies concerned with agriculture (for example IICA for Latin America and the Caribbean). 	Conference	2008	0	-	-
		Introduce changes in practice, including ways of working and reporting lines as specified in the Action Matrix	Conference	2008	0	-	1.8
		Introduce Basic text changes for functions, reporting lines, etc.	Conference	2009-2011	-	-	0
		Review of regional conference performance	Council	2016	0.3	2016	0

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Technical Committees:							
4.11		<p>Technical Committees: The Committees will report to Council on FAO's programmes and the priorities and strategies for the programmes and directly to the FAO Conference on global policy and regulation, and:</p> <p>a) Chairs will remain in office between sessions and provide their reports to the Council and Conference;</p> <p>b) Ways of working –Technical Committees will:</p> <ul style="list-style-type: none"> • meet more flexibly as to duration and frequency, according to needs. They will address priority emerging issues and may be convened especially for this purpose; • The Chair will facilitate full consultation with Members, on agendas, formats and duration <p>c) More use will be made of informal sessions and side events, taking care that developing countries and small countries are well represented (informal sessions will include NGOs and the private sector including representation from developing countries);</p> <p>d) The Committee on Agriculture (COAG) will specifically include and devote adequate time in its agenda to livestock with a livestock segment;</p> <p>e) The Committee on Commodity Problems (CCP) will strengthen interaction with UNCTAD and WTO;</p> <p>f) The Committee on World Food Security (CFS) will normally meet once per biennium. It will revitalise its role regarding monitoring and driving progress on the World Food Summit commitment and reviewing the State of Food Insecurity in the world.</p>	Conference	2008	0	-	-
		Introduce changes in practice, including ways of working and reporting lines	Conference	2008	0	-	1.0
		Introduce Basic Text changes for functions, reporting lines, etc.	Conference	2009-2011	-	-	0
Ministerial meetings							
4.12		Basic Text Change to specify that the Conference or Council may call a Ministerial meeting when matters developed at technical level need political endorsement or more visibility. The Ministerial meeting reports will be considered directly by the Conference.	Conference	2009-2011	-	-	0
The Revision of Basic Texts (costs)							
		Costs of significant revisions of Basic Texts	Management	2009-11	0.2	2009-11	0
All Governing Bodies							
4.4 a)		All Governing Bodies, including the Council will prepare and maintain a rolling programme of work for four years for review by the Council, which will review progress against the Programme of work once every two years	Council	2009-2010	0	-	0.2
Statutory Bodies Conventions, Treaties, Codex etc (costs)							
4.11 g)		Conferences of parties to treaties, conventions and agreements such as Codex and the IPPC may bring issues to the attention of the Governing Bodies through relevant Technical Committee (Basic Text Change)	Conference/Council	2009	0	-	0
4.6		Undertake a review to enable FAO to establish bodies with a high degree of self-governance and financing, while remaining within the framework of FAO	Management / Council	2009 - 10	0.3	2009 - 10	0

Evaluation, Audit and Organizational Learning

10) **Evaluation** Members and management agreed with the IEE that strong evaluation was indispensable for both the Governing Bodies and for senior management and that the conduct of evaluation must be responsive to, but operationally independent of, both. Evaluation in FAO was already of a relatively high standard and provided a strong foundation to build on further. The learning and accountability functions of evaluation were essential for both the Governing Bodies and management and for confidence in the evaluation function. Transparency was important, as well as clarity on institutional arrangements. The Organization's evaluation policy, strategy and institutional arrangements will be incorporated in a "Charter" which will be subject to Governing Body approval.

11) **Audit:** Members welcomed the measures taken to ensure effective audit functions and Management's general agreement with the IEE recommendations. They noted the high audit standards in FAO, supporting continued development of *ex post* control, transparency, coherence within the UN system and audit independence and autonomy in budget and staffing. The Governing Bodies will examine the internal audit workplan and Management will proceed with ending audit membership in decision making committees within FAO to limit potential conflict in interest. The Audit Committee should provide its reports to the Governing Bodies through the Finance Committee and be available for consultation with the Governing bodies as appropriate.

Evaluation, Audit and Organizational Learning - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Evaluation							
7.10 a)		Establishment of evaluation as a separate office inside the FAO secretariat structure reporting to the Director-General or his Deputy and to the Governing Bodies through the Programme Committee.	Management/ Programme Committee	Jan 2009	0	-	0
7.11		Evaluation Budget: The evaluation Regular Programme budget will be increased to 0.8-1.0% of the total Regular Programme Budget (over two biennia) and once decided upon by the governing bodies as part of the Programme of Work and Budget approval process fully protected and allocated in full to the evaluation office. <u>All donors</u> are requested to respect the Council decision that at least 1% of all extra-budgetary funds should be allocated for evaluation.	Conference	2009 - 2011	0	-	4.5
7.10 d)		Evaluation staffing: a) Recruitment of evaluation director at D2 level with application of an agreed professional and transparent procedure involving the Governing Bodies. The Director of evaluation will serve for a fixed term of four years with the possibility of renewal for a maximum of one further term, with no immediate possibility for reappointment within FAO to another post; b) All appointments for evaluation of staff and consultants will follow transparent and professional procedures with the first criteria being technical competence but also with attention to considerations of regional and gender balance. The Director of evaluation will have the main responsibility for the appointment of evaluation staff and the responsibility for appointment of consultants in conformity with FAO procedures.	Management/ Programme Committee	Oct 2008	0	-	0 Difference between D1 and D2 covered in increase in Budget above
7.10 b)		Quality assurance and continued strengthening of the evaluation function: a) Strengthening of existing independent peer review of major reports b) Biennial independent peer review c) Evaluation of the evaluation function every six years	Evaluation Director	2008 first peer review 2010	0	-	0 part of above increase in evaluation budget

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
7.10 c)		<p>Approval of evaluation policy and charter by the Council including the above, and</p> <p>a) a Deputy Director-General will continue to chair the internal evaluation committee to provide advice to the Director-General and this Committee will also interact with the Programme Committee;</p> <p>b) the rolling evaluation plan will continue to be approved by the Governing Bodies following consultation with the internal evaluation committee;</p> <p>c) the follow-up processes for evaluation will be further strengthened;</p> <p>d) all evaluation reports, management responses and follow-up reports will continue to be public documents, fully available to all FAO Members. Efforts to discuss and bring the reports to the attention of all concerned Governing Body members will also be further strengthened;</p> <p>e) the evaluation office will have an institutionalised advisory role to management on results based management and programming and budgeting, reinforcing the feed-back and learning loop;</p> <p>f) evaluation will be well coordinated within the UN system, taking account of the work of the Joint Inspection Unit (JIU) and the evaluation office will continue to work closely with the United Nations Evaluation Group (UNEG).</p>	Council	2009	0	-	0
Audit							
7.9 a)		Audit will be extended to major organizational risk areas		2009	0	-	0
7.9 b)		The Audit Committee will have a membership which is fully external		2008	0	-	0
7.9 f)		The External auditor will assume responsibility for audit of immediate office of the Director-General (due to difficult conflict of interest for internal auditor)		To be further considered			

Appointment and Term of Office of the Director-General

12) No major changes are envisaged in the role of the Director-General or his/her appointment. It is recommended that the post be widely advertised together with the job description (naturally candidatures, as now, will only be proposed by Member Countries). Measures will be enhanced to require the candidates to formally make a presentation to the Conference and respond to questions prior to election, with the possibility to also make presentations to the Council. The term of office will be changed to a four year term, with the possibility for only one single renewal for a further term of four years, making a total of eight years potential period of office.

Appointment and Term of Office of the Director-General - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
4.20		Introduce procedure for advertising the post and requirements for presentation by candidates to the Conference and Council	Conference	2010	0	-	0
4.20		Change Basic Texts for period of office of the Director-General	Conference	2009	0	-	0

C. Reform of Systems, Programming & Budgeting Culture Change and Organizational Restructuring

Reform of Programming, Budgeting and Results Based Monitoring

13) Major reforms of programming and budgeting are proposed, including in the role of the Governing Bodies, in order to improve prioritisation, effectiveness, impact and oversight. Assessed contributions and extra-budgetary resources will be managed to the maximum extent possible as a unified budget, subject to the same planning and oversight, with encouragement to contributors of extra-budgetary funding to reduce earmarking and pool funding. Programming and Budgeting documentation will be drawn up, reflecting a results based hierarchy which will be monitored and evaluated for results. The date of the FAO Conference will shift to June of the second year of each biennium, in order to facilitate an earlier decision on the final budget for assessed contributions and orderly planning and oversight of the definitive programme of work by the Governing Bodies.

Reform of Programming, Budgeting and Results Based Monitoring – Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
7.1, 7.2 & 3.19		<p>a) Introduction of revised Programme and Budget Documentation consisting of the following sections, which <u>may be presented as a single document to avoid repetition and provide a complete picture (first full approval 2009):</u></p> <p>i) Strategic Framework with a 10-15 year time horizon reviewed every four years and including:</p> <ul style="list-style-type: none"> • Analysis of the challenges facing food, agriculture and rural development and the dependent peoples, including consumers, • Strategic Vision, • The Goals of Member Nations, and • Strategic Objectives for achievement with support from FAO by Member Countries and the international community, including indicative targets and indicators of achievement (some 8-12)¹; <p>ii) Medium-Term Plan with a four year time horizon and reviewed each biennium, including:</p> <ul style="list-style-type: none"> • Strategic Objectives for achievement with support from FAO by Member Countries and the international community, as per the Strategic Framework, and • Organizational Results framework (outcomes) – a maximum of some 80, contributing to the achievement of Strategic Objectives by Member Countries and the international community. Each Organizational Result will have specified achievement targets and indicators for verification and indicate the budget from assessed contributions and estimated extra-budgetary resources (targets may be conditioned upon level of extra-budgetary resources); • Impact Focus Areas² which combine results, which focus resources as a communication tool, serving to mobilise and improve oversight of extra-budgetary resources in key impact areas. • Gender will be incorporated and will no longer have a separate Plan of Action <p>iii) Programme of Work and Budget, each covering a single biennium and providing:</p> <ul style="list-style-type: none"> • Organizational Results framework (outcomes) as per the Medium-Term Plan, • Calculation of cost increase and efficiency savings, • Provision for long-term liabilities, reserve funds, and <p>iv) Draft Programme and Budget resolution.</p>	Conference	2009	0.4	-	0

¹ Progress in Strategic Objectives will be assessed primarily through evaluation as they are not susceptible to cost-effective routine performance monitoring.

² Impact Focus Areas combine “Results” to more effectively contribute to the achievement of Strategic Objectives, producing impact in 4-6 year timeframe, leaving flexibility for decision making and prioritization to reflect emerging challenges. They are limited in number and act as “Flagships” providing a communication and advocacy tool on high profile work, enabling the Organization to better attract extra-budgetary funding and partnerships to complement assessed contributions. They have clear targets and indicators and will facilitate untied pool funding of extra-budgetary resources and facilitate Governing Body oversight of the use of those resources in line with agreed priorities.

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
7.5		b) Introduction of a Revised Implementation Performance monitoring system and report: Each report will cover the previous biennium and report on delivery, and targets and indicators of results as well as efficiency indicators for the functional objectives.	Council	2009 - 2012	0.1	2009-10	-
7.3		c) Introduction of revised cycle of preparation and Governing Body decision making. The date of the FAO Conference will move to June , starting from 2011, with a corresponding shift in the dates of all other meetings. The following cycle will be introduced: i) <u>Year 1 of the biennium:</u> <ul style="list-style-type: none"> • the Technical Committees and the Regional Conferences will review and make recommendations, with respect to their areas of mandate, on: <ul style="list-style-type: none"> ◆ FAO performance in contributing to results against performance indicators, including any pertinent evaluations, and ◆ priorities and results planned under the Medium-Term Plan, including in areas of global governance, and suggest adjustments for the next biennium; • the Programme and Finance Committees and the Council will review and make decisions on: <ul style="list-style-type: none"> ◆ the performance implementation report for the previous biennium, including performance against indicators, ◆ major evaluations, and ◆ budgetary and implementation performance in the second half of the year; ii) <u>Year 2 of the biennium:</u> <ul style="list-style-type: none"> • January - March: the Programme and Finance Committees and the Council will review the proposed Medium-Term Plan and Programme of Work and Budget and in every second biennium, the Strategic Framework (this latter may be coincided with the term of office of the Director-General), • January –March: - not as part of the Governing Body cycle of meetings - an informal meeting will be held of interested members and other potential sources of extra-budgetary funds and partnership, to discuss extra-budgetary funding requirements, especially in relation to Impact Focus Areas and national priorities as expressed in National Medium-term Priority Frameworks, • March/April: The Council will make explicit recommendations to the Conference for the Results Framework and budgetary aspects, including the budget level, • June: The Conference will approve the Results Framework and budgetary aspects including the budget level, and d) September – November: the Programme and Finance Committees and the Council will consider and approve any changes in the Results Framework and budgetary allocations following the Conference decision on the budget level and any programme adjustments.	Conference	2010 -11	0	-	(see Gov Reform)

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
7.3		e) Introduce necessary Basic text changes for Programme and Budget cycle	Conference	2011	0	-	0
8.17		f) In addition to capital account and TCP Introduce provisions for roll-over of up to five percent of the assessed budget, between biennia, in order to smooth income and expenditure, thus reducing wasteful and inefficient transactions	Council ?	2010-11	0	-	0

Resource Mobilization and Management Strategy

(to come) should cover:

- Role of:
 - Impact Focus Areas (IFAs) – formerly “Priority Themes
 - National Medium-Term Priority Frameworks
 - Regional Programmes
- Authorities and decentralized and centralized responsibilities
- TeleFood and a FAO Foundation
- New partnerships
- Increasing direct funding by the parties or interested donors of conventions, agreements treaties and similar instruments
- Arrears and late payments to be publicised
- Extra-budgetary support costs to be kept under Regular Review, with a view to ensuring efficiency and that there is no cross-subsidy in either direction between Regular Programme and extra-budgetary resources

The Technical Cooperation Programme

14) The Technical Cooperation Programme is a central programme of the Organization enabling it to provide catalytic technical inputs to developing country members. It will no longer be used in any way as a reserve fund for shortfalls in payments, anymore than any other programme of the Organization. The level of the Programme will be maintained at, at least the 2006-07 level (i.e. 13 percent) of the total resources of the Organization from assessed contributions. Also:

a) To come following meeting of 1 July

Technical Cooperation Programme – Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	

Institutional Culture Change

15) Members noted that culture change is a long-term process which requires high levels of participation and improved communication horizontally and vertically. It is closely linked to human resource policy and a culture of responsibility, accountability and incentives. The CoC-IEE welcomed the establishment by management of a culture change team, in a process led by the Deputy Director-General. It was agreed that incremental costs of culture change in the FAO secretariat will be funded from extra-budgetary resources.

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Culture Change in the FAO Secretariat:							
		Appointment of External Facilitator and change team		2008-09	1.0		0.1
		Development of Internal vision		2008-09	0.3		

Ethics

16) The CoC-IEE welcomed the appointment of an Ethics Officer and the subsequent establishment of an Ethics Committee.

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Ethics:							
7.9 g)		Appointment of an Ethics Officer, functioning of the office, and training of staff	Management	2008	0.2	-	0.7
7.9 g)		Review of Terms of Reference and membership of Ethics Committee by the Finance Committee	Management	2009	0	-	-
7.9 g)		Appointment and initiation of work by Ethics Committee	Management	2009	0	-	-

Reform of Administrative and Management Systems

17) **Approach to Risk:** The CoC-IEE concluded that FAO is excessively risk averse. There was agreement on moving from *ex ante* to *ex post* controls, and the negative impact of controls and lack of delegation on staff motivation. A risk assessment and management study will be undertaken beginning in 2009, subject to availability of extra-budgetary funds. Management was urged to make rapid progress not only in administration but in other areas of delegation, procedural simplification and greater flexibility and introduce these in its early actions.

18) **The Root and Branch Review and other Administrative and Financial Improvements:** The Root and Branch Review has been contracted to the consultancy firm Ernst and Young and covers all aspects of administrative servicing, contracting purchasing, financial management and systems,

human resources, and information technology and communication systems.

The CoC-IEE recommendations with respect to the first report of the Root and Branch Review are the subject of a separate addendum to this report finalised in October 2008.

19) In addition to the Root and Branch Review the CoC-IEE has emphasised that a culture and system must be in place to build on the accomplishments of changes in business models and practices and thus ensure that best practice continues to be applied in future. Early actions have been agreed with management to initiate immediate implementation.

Reform of Administrative and Management Systems – Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
Management Early Actions summary including:							
8.4 8.3 & 6.15 8.10 8.10 8.10 8.10		a) delegations of authority from the Office of the Director-General for human resource actions; b) introduction of dual grading of posts; c) delegation of authority for procurement, authority for Letters of Agreement to divisional level and in the decentralised offices; d) streamlining of travel procedures; e) local procurement for emergencies; f) opening of temporary operational cash accounts in the field g) deployment of a field version of oracle adapted to FAORs' needs. Note: some early actions will be completed by the time of the Special Session of the Conference; other major items which will incur costs beyond the Conference are reflected below (e.g. Root and Branch review and performance management).	Management	2008	0	-	???
			Management	2008	0	-	?
			Management	2008	0	-	?
Follow-up to the Root and Branch Review:							
8.1		Implementation of Root and Branch Review		2008-09	2.2	2009	0
8.1		Review by management and the Governing Bodies of the Final Report	Management/ Council	2009	?	2009	0
8.1		Development of follow-up action plan	Management	2009	-	2009	0
8.1		Review by Governing Bodies of the Follow-up Action Plan	Council	2009	?	2009	0
8.1		Implementation of action plan	Management		n.a.	n.a.	n.a.
Enterprise Risk Management Framework							
8.15		Agreement by Finance Committee on Terms of Reference for a comprehensive enterprise risk management study addressing all forms of risk, including but not limited to financial risk	Management/ Finance Committee	2008	0.2	-	0
8.15		Issue of external contract for the study	Management	2009	?	2009-10	
8.15		Review by management and the Governing Bodies of the Final Report	Management/ Council	2009	0	-	0
8.15		Development of follow-up action plan	Management	2010	?	2010	0
8.15		Review by Governing Bodies of the Follow-up	Council	2010	?	2010	0

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
8.15		Full Implementation of Enterprise Risk Management Structure	Management	2009 - 2010	2.2	2009-2010	
8.15		Implementation of Follow-up	Management	2011	n.a.	n.a.	n.a.

Human Resource Policies and Practices

20) The CoC-IEE stressed the value of FAO's human resources. They welcomed the strategy developed by Management which presented a vision which now needed to be converted into a concrete action plan. Although the detailed results of the Root and Branch Review will further improve the plan, immediate improvements will proceed in parallel with this Review according to the Plan:

Human Resource Policies and Practices - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
8.5		Implement an effective policy for geographical and gender representation, particularly regarding developing countries, which will not detract from the primary criteria of selection on the basis of merit	Management	2008 - 2009	0.1	-	0.1
8.8		Introduce a package for increasing staff training, including in management	Management	2009	?	2009	2.9
8.2		Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria	Management	2009	0	-	8.8
8.2		Establish a joined-up and consistent system for the recruitment and development of young professionals, particularly from developing countries. This will include the intern programme	Management	2010	0	-	2.0
8.4		Decentralise and delegate decision making within clear policies and requirements, including further delegation of authorities from the Office of the Director-General and from senior management	Management	2008	0	-	await Root and Branch review
8.4		Wider publication of FAO vacancies	Management	2009	0	-	0.2
8.4		More transparency in the recruitment of senior staff and FAORs	Management	2008	0	-	0
8.4		Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs, including competencies in management and policy support	Management	2009	0	-	0.1
8.3		Introduce transparency and competitive policies for recruitment of consultants with measures to ensure attention to geographical and gender balance	Management	2009	0	-	0.2
8.3		Rationalise the use of FAO retirees, who will not be used for long-term gap filling in vacant posts as a cost saving measure	Management	2009	0	-	2.0
8.7		Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria	Management	2009	1.0	2008/9	0.6
6.15 & 8.3		Introduce dual grading for P5/D1 and D1/D2 posts	Management	2009	0	-	(-1.0)

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
8.2		Upgrade the Oracle systems to i) improve ease of data extraction and analysis and ii) to support substantive staff management, rather than purely transaction processing	Management	2010	1.2	2009/2010	0 (savings in enquiries)
8.3 c)		Establish a staff redeployment fund	Council	2009	50.0	2009/2010	5.0
4.8 e) 4)		Enhance governance oversight of human resource policies through the Finance Committee	Council/FC	2009	Covered under Governance		
8.3 d)		Governing Body action and action by management to secure changes at the UN Common System level	Council & Management	2009	0	0	0

Restructuring for Effectiveness and Efficiency

Functioning as One Organization

21) The decentralized offices and headquarters will work as one effectively integrated Organization, through decentralization of authorities, networking and full involvement of the decentralized offices in FAO's overall decision making. Similarly headquarters will be organized in fewer units with a much more integrated approach to programmes and clearer lines of responsibility. This culture change underlies many of the actions and changes discussed below.

Decentralized Offices and Country Presence

22) The CoC-IEE emphasises 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. This presence will be specifically tailored to the needs of individual countries and regions. Effective decentralisation depends upon properly resourced offices. The present situation of an inadequate budget to ensure the continuous staffing of Country offices is unsustainable and the structural deficit cannot not be allowed to continue. Thus, decentralisation will not proceed further without accompanying budgetary resources and will not be authorised if it impairs headquarters' capacity. Decentralization will be accompanied by delegation of responsibility with accountability.

Decentralization - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
		Organize Senior Management Meetings so that ADG/Regional Representatives can be present via video link	Management	2008	0	-	0
6.20		Transfer the primary reporting line for technical officers in the regional offices to the Regional Representatives (ADGs)	Management	2009	0	-	0
6.19		Fully involve ADG/Regional Representatives in programming and budgeting (see also above ref)	Management	2009	0	-	0
6.20		Transfer Budget and Programme responsibility of technical officers in the regional offices to the Regional Representatives (ADGs)	Management	2009-10	0	-	0
6.20		Transfer primary responsibility for all aspects of FAORs to the Regional Representatives (ADGs) with a small coordination unit in the Department responsible for Technical Cooperation and field support	Management	2009-10	0	-	indicative savings on OCD ??

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
6.19		Revise all delegated authorities to decentralized offices and control procedures (see also above)	Management	2009	?	2009	await Root and Branch review
6.21		Discontinue all administrative and managerial responsibilities with sub-regional offices to allow them to function fully as technical support units to countries of the sub-region	Management	2009	0	0	0
6.22		Rationalise coverage of country offices following results of review utilising agreed criteria: a) size of the FAO Programme; b) commitment to an FAO programme (National Medium-Term Priority Frameworks); c) size and poverty levels of agriculturally dependent population; d) priority to Least Developed Countries; e) potential for agriculture in economic growth; f) ease of servicing from another country; g) potential, shared or fully joint representations with other Rome-based agencies, within the UN Resident Coordinator system and with IICA and other regional organizations and h) willingness of governments to cover costs of FAO presence. Early Results of Management review of FAORs and country representation are requested by the CoC-IEE for incorporation in the Immediate Plan of Action.	Management	2010-12	0	-	savings per office when converting to multiple accreditation: - 0.3M (contribute to offset structural deficit)
6.20 & 6.21		Redefine composition of sub-regional and regional office staffing in line with priority needs	Management	2010-12	0	2010-12	0
		Clarify coverage of Near East Region	Management	2009	0	-	0
8.2 & 8.6		Redefine job descriptions, profile of competencies, recruitment and performance appraisal procedures (open competitive) for Regional ADGs and FAORs – see also HR above ref	Management	2009	0.1	-	-
8.6		Introduce benchmarks and a comparative performance monitoring system for decentralized offices	Management	2010	0.2	2009/10	0.6
8.8		Strengthen staff training – see also HR above ref	Management	2009	Covered under HR above		

Headquarters Structure

23) To come

Partnerships

The CoC-IEE endorsed a strategy for development of FAO's capacity to assist Members in achieving their Global Goals through partnerships and strong alliances. Particular stress was placed on partnership with the Rome Based agencies with respect to both technical and administrative functions and partnerships at country level within the UN system in the context of UN system coherence and effectiveness for members. At regional and sub-regional levels importance was attached to cooperation with regional economic organizations and it was emphasised that global partnerships must address regional and country dimensions as well as global issues. It was emphasised that new approaches needed to be developed for partnership with the private sector.

Partnership - Action Matrix

Reference IEE recommendations (see Annex)	Actions		Responsibility for final decision	Initiation Start-End Year	Investment		Recurrent Costs or Savings US\$ million per biennium
	No	Action			Cost US\$ (million)	Year (s)	
5.1		Finalise guiding corporate principles on partnerships as a living document, including that partnerships are: a) not an end in themselves but a means for greater effectiveness in supporting international governance of agriculture and agricultural development, pursuing the objectives and priorities of the Strategic Framework of the Organization. The desirability of a partnership thus depends on the mutual value-added and benefits in achieving shared objectives expressed in terms of results, and weighed against the costs and impediments to its effectiveness for the partners; b) based on the comparative advantages of the partners and aim at specific goals of FAO shared by the partners; and c) generally built up from ongoing collaboration. The nature of FAO's role will vary according to the different partnerships it engages in and the Organization may take a leadership role or act as facilitator in some, and be a participant in others. FAO must at all times preserve its neutral and impartial role and act in a transparent manner, avoiding partnerships where significant conflict of interest is of concern.	Management	2008	0	-	0
5.1		Stocktaking of partnerships (undertake assessment and launch new or renewed partnerships)	Management	2008 - 11	0	2008-09	0.2
5.1		Preparation of a short-term agenda of initiatives (12 months) that will generate outcomes and outputs and preparation of a medium-term action plan in line with the Medium-Term Plan (4 years), including development and implementation of a training programme.	Management	2009	0.2	-	0.1
5.1		Establishment of a monitoring mechanism to ensure feedback and iterative improvement of partnership collaborations and of the FAO strategy	Management	2009 - 10	0.3	2009 - 10	0
5.1		Establishment of focal point responsibilities for partnerships (see HQ structure)	GB & Management	2008 -09	0	-	0

D. Summary Implementation Schedule

To Come

Timetable of deliverables and milestones with indicators of achievement

Responsibilities and Implementation Arrangements

Schedule of costs and savings and indications of whether Regular Programme or Extra-budgetary