

Working Group III Section of Immediate Plan of Action

as revised 22 August

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

Reform of Programming, Budgeting and Results Based Monitoring

2) In order to improve prioritisation, effectiveness, impact and oversight of FAO's work, major reforms of programming and budgeting are proposed, including in the role of the Governing Bodies. Assessed contributions and extra-budgetary resources will be managed to the maximum extent in a unified work programme, 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 Council will propose the programme of work, the level of the assessed budget and provide an estimate of extra-budgetary funding to the Conference (budgetary data will be divided between administrative and programme budgets). 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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | <p>a) Introduction of revised Programme and Budget Documentation consisting of the following sections, which may be presented as a single document to avoid repetition and provide a complete picture (first full approval 2009):</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, show FAO's contribution 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 fully integrated incorporated into the Strategic Framework and Medium-Term Plan and will no longer have a separate Plan of Action <p>iii) Programme of Work and Budget, each covering a single biennium, with the budget divided between an administrative budget and a programme budget and providing:</p> <ul style="list-style-type: none"> • Organizational Results framework (outcomes) as per the Medium-Term Plan, including the Organizational Responsibility for each result; • Quantification of costs for all Organizational Results and all obligations • Calculation of cost increase and efficiency savings, <p>iv) Provision for long-term liabilities, under-funded obligations and reserve funds</p> <p>v) Draft Programme and Budget resolution.</p> | Conference | 2009 | | |

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

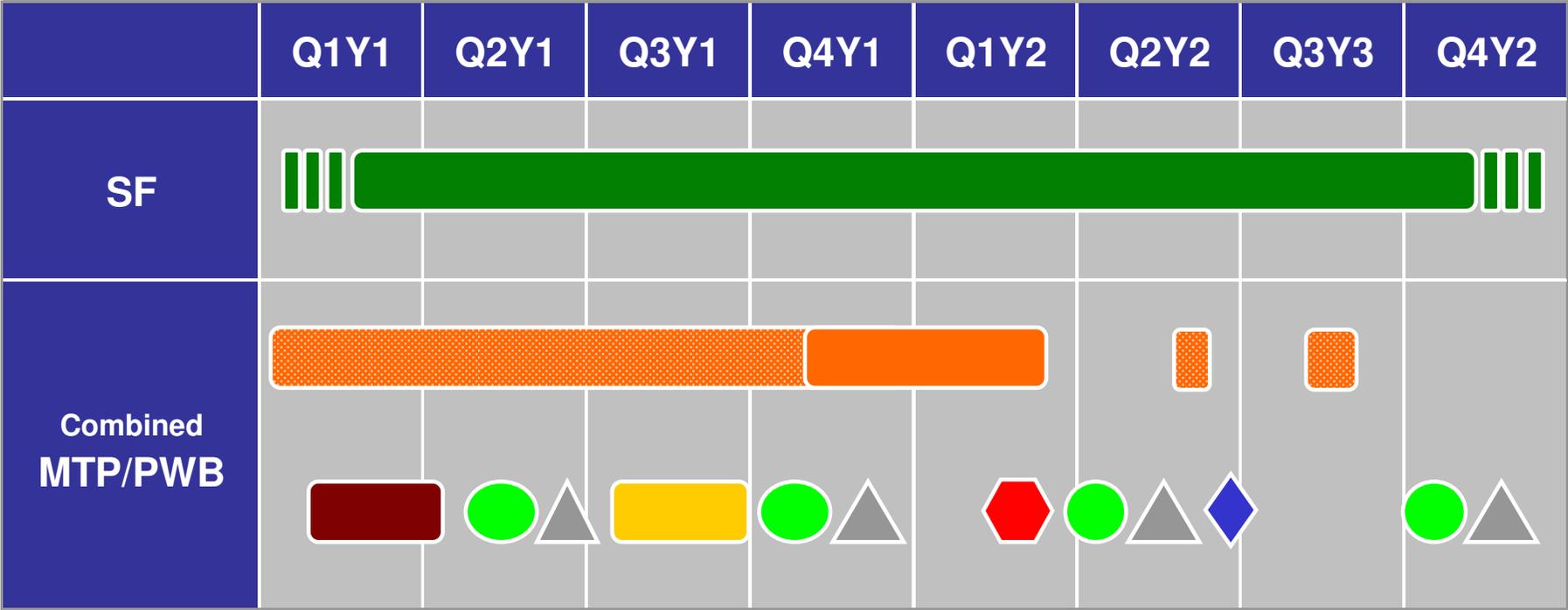
² Impact Focus Areas combine “Results” to more effectively contribute to the achievement of Strategic Objectives, producing impact in 4-6 year timeframe, leaving flexibility for decision making and prioritization to reflect emerging challenges. They are limited in number and act as “Flagships” providing 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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | <p>b) Introduction of a Revised Implementation Performance Results Based Management 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.</p> | Council | 2010-2012 | | |
| | <p>c) Introduction of revised cycle of preparation and Governing Body decision making (see Chart 1 below for sequencing). 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 Council will meet in September 2009 in order to prepare the Conference – in line with the new cycle). The following full cycle will be introduced starting 2010 (for budgetary provision for number and days of meetings – see B Governance Reform):</p> <p>i) <u>Year 1 of the biennium:</u></p> <ul style="list-style-type: none"> • the Technical Committees 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 Regional Conferences will with respect to their Regions, review and make recommendations 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, and suggest adjustments for the next biennium, and ◆ policy issues for the region to be considered at global level or through additional action at regional level; • the Programme and Finance Committees and the Council with respect to their areas of mandate, 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, ◆ budgetary and implementation performance in the second half of the year, and ◆ any necessary adjustments in the agreed Programme of Work and Budget ◆ approve in advance requested reallocations between Chapters; <p>ii) <u>Year 2 of the biennium:</u></p> <ul style="list-style-type: none"> • <u>Throughout the year</u> the Programme and Finance Committees and the Council will review and make decisions on any necessary adjustments in the agreed Programme of Work and Budget and approve in advance any requested Reallocations between Chapters; • 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 | Conference | 2009-11 | | |

untied pool funding of extra-budgetary resources and facilitate Governing Body oversight of the use of those resources in line with agreed priorities.

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | <p>term of office of the Director-General),</p> <ul style="list-style-type: none"> • 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 exchange information on extra-budgetary funding requirements, especially in relation to Impact Focus Areas, • 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 • September – November: the Programme and Finance Committees and the Council will if necessary consider and approve any changes in the Results Framework and budgetary allocations following the Conference decision on the budget level. | | | | |
| | d) Introduce necessary Basic text changes for Programme and Budget cycle including the timing of Governing Body sessions | Conference | 2009 | | |
| | e) 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 | Conference | 2009 | | |

Chart 1: Schedule for Governing Body Consideration of the Medium Term Plan (MTP) and the Programme of Work and Budget (PWB)



- 
Secretariat process
- 
Conference
- 
EB Meeting
- 
Programme & Finance Comm.
- 
Council
- 
Technical Committees
- 
Regional Conferences

Resource Mobilization and Management Strategy

3) FAO will adopt an integrated resource mobilization and management strategy bringing together Assessed Contributions and extra-budgetary resources, to support agreed priorities facilitating both Governing Body oversight and increased focus and impact. Greater pool funding (as distinct from project funding) will reduce transaction costs. Essential building blocks for the strategy will include:

- a) the areas selected by the Governing Bodies as an integral part of the Medium-term Planning process to form a focus for extra-budgetary resources:
 - o Impact Focus Areas (IFAs)
 - o Country development priorities as defined in National Medium-Term Priority Frameworks
 - o Regional Programmes
- b) a series of measures to improve the management of assessed Contributions

Resource Mobilization and Management Strategy – Action Matrix

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------------|--|--|-----------------------|--|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Integrate into the programming and budgeting process extra-budgetary resources, including the definition of Impact Focus Areas (see also Reform of Programming Budgeting and Results Based Monitoring), and: <ol style="list-style-type: none"> a) review by the Council of the plans for, the application and results of extra-budgetary resources in an integrated framework on the basis of the findings and recommendations of the Programme and Finance Committees, ensuring that resources are mobilized to support the agreed priorities of the Organization; b) put in place a management structure for extra-budgetary resources and assessed contributions which places overall management and coordination of resource mobilization, including donor relations on policy, in a central Office of Strategy, Planning and Resources Management with decentralized responsibilities at all levels within the coordinated framework for resource mobilization, in particular at regional and country levels; c) vigorously pursue new partnerships, including with the private foundations; d) keep under continuous review both efficiency measures and the cost of support services to extra-budgetarily funded work to ensure that there is no cross-subsidisation between the sources of funds. | Conference Special Session | 2009 | | |
| | Review treaties conventions, agreements and similar bodies and instruments established under articles VI, XIV and XV of the FAO constitution with a view to their development on the basis of a high degree of self-governance and funding: <ol style="list-style-type: none"> a) present report to Council and to the parties to the agreement | Council & parties to agreements | 2009-2010 | | |

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Introduce measures to encourage timely payment and the avoidance of arrears and management of resource availability, taking account of the Recommendations of the Finance Committee, including: a) annual review by the Council on the basis of a report from the Finance Committee of the situation of late payments and arrears and its implications for the Organization's liquidity b) prominent reporting on the FAO website of the situations of timely payments and delayed payments and arrears by country c) continuation of the present responsible borrowing policy to smooth cash flow | Conference/Council | 2009 | | |

The Technical Cooperation Programme

4) 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. The responsibility for TCP will be assigned to Regional Representatives and at country level to FAO Representatives.

Technical Cooperation Programme – Action Matrix

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | TCP resources to be allocated to regions under the authority of Regional Representatives, except for 15% retained under the authority of the Department responsible for Technical Cooperation for use in emergencies. <u>Indicative allocations to regions agreed as follows with review by the council every four years in line with the Medium-Term Planning cycle: Africa 40%; Asia and Pacific 24%; Latin America and Caribbean 18%; Europe 10%; Near East 8%. Members of the European Union and Developed countries are eligible for TCP but only on a full refund basis</u> <u>Criteria for allocations to regions and considerations to be applied by Regional Representatives in approvals for countries and projects agreed as follows:</u> To come | Conference Special Session | 2009-2010 | | |

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | <p><u>TCP project cycle and TCP approval guidelines to be reviewed in 2009, further clarifying existing Council approved guidelines and specifying</u></p> <p><u>a) approval criteria including convergence of countries' needs and the Organization's agreed Strategic Objectives and Organizational Results;</u></p> <p><u>b) specify minimum information required from countries for consideration of request;</u></p> <p><u>b) clarify the project cycle - specifying the steps and responsibilities for clearances at each stage of the process, simplifying the number of steps, and with delegations to decentralized offices at the lowest level possible;</u></p> <p><u>c) clearly specify timelines for each stage of the process so that managers can be held accountable;</u></p> <p><u>d) there should not be universal criteria for the proportion of TCP funding to go to Regional and sub-regional projects, as this varied from region to region (most resources should always go to individual countries) and that sub-regions, with their economic groupings, etc. would be important.</u></p> | Programme Committee/Council | 2009 | | |
| | <p><u>TCP to be established as at least 13 percent of the total resources of the Organization from assessed contributions (excluding replenishment of funds (e.g. reserve funds, after service medical coverage) – Basic Text change</u></p> | Conference | 2010 | | |

Institutional Culture Change

5) The CoC-IEE concluded that culture change is fundamental to the successful reform of FAO and 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.

Culture Change in the FAO Secretariat– Action Matrix

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Appointment of External Facilitator and change team | Management | 2008-09 | | |
| | Development of Internal vision | Management | 2008-09 | | |
| | Implementation of the vision | Management | 2009 onwards | | |

Ethics

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

Ethics– Action Matrix

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Appointment of an Ethics Officer, functioning of the office, and training of staff | Management | 2009 | | |
| | Review of Terms of Reference and proposed membership of Ethics Committee by the CCLM and the Finance Committee | Finance Committee & CCLM | 2009 | | |
| | Appointment and initiation of work by Ethics Committee | Management | 2009 | | |
| | Review of annual or biennial report of Ethics Committee by the Council on the basis of the findings and recommendations of the CCLM and Finance Committee | Council | 2010 | | |

Reform of Administrative and Management Systems

7) **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.

8) **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.

9) 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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|--|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| Management Early Actions summary including: | | | | | |
| | 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 | 2008-2009 | | |

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|---|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| Basic Text Change to facilitate delegation of authority | | | | | |
| | <u>Revise Basic Texts to stipulate that in line with the agreed principle of delegations of authority to the lowest appropriate levels, the Director-General may delegate final authority and responsibility in specific areas of work and action to designated officers and such delegations will be reflected in the FAO manual and published job descriptions</u> | <u>Council/Conference</u> | <u>2009</u> | | |
| Follow-up to the Root and Branch Review: | | | | | |
| | Conduct of Root and Branch Review | Management | 2008-09 | | |
| | Review by management and the Governing Bodies of the Final Report | Management/Council | 2009 | | |
| | Development of follow-up action plan | Management | 2009 | | |
| | Review by Governing Bodies of the Follow-up Action Plan | Council | 2009 | | |
| | Implementation of action plan | Management | 2010 | | |
| Shared Services with Rome Based UN Agencies (see Partnerships below) | | | | | |
| Enterprise Risk Management Framework | | | | | |
| | 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 | 2009 | | |
| | Issue of external contract for the study | Management | 2009-2010 | | |
| | Review by management and the Governing Bodies of the Final Report | Management/Council | 2010 | | |
| | Development of follow-up action plan | Management | 2010 | | |
| | Review by Governing Bodies of the Follow-up | Council | 2010 | | |
| | Full Implementation of Enterprise Risk Management Structure | Management | 2011 | | |
| | Implementation of Follow-up | Management | 2011 | | |

Publishing in all Languages of the Organization

10) The CoC-IEE considered it essential that the Organization improve the availability of its publications to users and including different language groups. It must also ensure that good translations are delivered at the lowest possible cost.

Publishing in all Languages of the Organization - Action Matrix

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | In addition to main meeting documentation, a budget will be provided for each FAO language and within that budget envelope a panel of users of each language will decide on the application of funds for translation and for increased distribution of hard copies as appropriate to the Least Developed Countries | Management | 2010 | | |
| | Separate mirror websites to the FAO website will be developed for Arabic and Chinese | Management | 2010 | | |
| | If not adequately covered by the Root and Branch Review a study will be undertaken of how to ensure quality and timely translation at reduced costs | Management | 2010 | | |

Human Resource Policies and Practices

11) 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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|--|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Maintaining the primary criteria of staff and consultant selection on the basis of merit, implement an effective policy for geographical and gender representation, particularly regarding developing countries. | Management | 2009 | | |
| | Introduce a package for increasing staff training, including in management | Management | 2009 | | |
| | Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria | Management | 2009 | | |
| | 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 | | |
| | 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 | | |
| | Wider publication of FAO vacancies | Management | 2009 | | |
| | Provide for full transparency in the selection and recruitment of all senior staff and FAORs | Management | 2008 | | |
| | Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs, including competencies in management and policy support | Management | 2009 | | |
| | Introduce transparency and competitive policies for recruitment of consultants with measures to ensure attention to geographical and gender balance | Management | 2009 | | |
| | 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 | | |
| | Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria | Management | 2009 | | |
| | Introduce dual grading for P5/D1 and D1/D2 posts | Management | 2009 | | |
| | 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 | | |
| | Establish a staff redeployment fund initially funded from extra-budgetary resources and subsequently funded from a proportion of staff costs | Council | 2009 | | |
| | Enhance governance oversight of human resource policies through the Finance Committee | Council/ FC | 2010 | Covered under Governance | |
| | Governing Body action and action by management to secure changes at the UN Common System level a) develop proposals for Common System change b) present changes to UN | Council & Management | 2010 | | |

Restructuring for Effectiveness and Efficiency

Functioning as One Organization

12) 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

13) 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 with rationalised coverage based on clear criteria. Effective decentralisation depends upon properly resourced offices and strategically selected locations. 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. Offices and staff should be subject to performance and results-based assessment. Thus, decentralisation will not proceed further without accompanying regular programme and extra-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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Organize Senior Management Meetings so that ADG/Regional Representatives can be present via video link | Management | 2008 | | |
| | Provision of separate administrative and technical budget information for Decentralized Offices: regional, sub-regional and national | Management | 2010 | | |
| | Transfer the primary reporting line for technical officers in the regional offices to the Regional Representatives (ADGs) or where more appropriate the sub-regional representatives | Management | 2009 | | |
| | Fully involve ADG/Regional Representatives in programming and budgeting (see also above ref) | Management | 2009 | | |
| | Transfer Budget and Programme responsibility of technical officers in the regional offices to the Regional Representatives (ADGs) | Management | 2010 | | |
| | 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 and where appropriate the reporting line to the ADG through the sub-regional coordinator | Management | 2009 | | |
| | Revise all delegated authorities to decentralized offices and control procedures (see also above) | Management | 2009 | | |
| | Discontinue all administrative responsibilities with sub-regional offices to allow them to function fully as technical support units to countries of the sub-region | Management | 2009 | | |

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|--|--|---|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | Rationalise coverage of country offices following results of review utilising agreed criteria, taking into account both existing and potential locations, efficiency, projected cost savings and cost/benefit analysis. Implementation of the results of the review will ensure that at a minimum the structural deficit is eliminated in the Country representation (FAORs) through alternative forms of country presence, with further reductions desirable to free up resources for the improved functioning of the decentralized offices. Criteria to be applied: a) size of the FAO Programme (indicative ratio office costs to size of programme 1:3); b) commitment to the National Medium-Term Priority Frameworks partially prepared with FAO; 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 the UN system, particularly with the other Rome-based agencies, and other regional organizations as appropriate; and h) willingness of governments to cover costs of FAO presence. | Management (with annual reports to Council with savings indicated) | 2009-12 (with Council annual review and overall review in 2012) | | |
| | Adjust composition of sub-regional and regional office staffing in line with priority needs, reviewed in light of the UN system offices. | Management | 2009-12 | | |
| | Clarify coverage of Near East Regional Office | Management | 2010 | | |
| | Redefine job descriptions, profile of competencies (including policy competence), recruitment and performance appraisal procedures (open competitive) for Regional ADGs, Sub-Regional Coordinators and FAORs – see also HR above ref | Management | 2009 | | |
| | Introduce benchmarks and a performance-based reporting and monitoring system for decentralized offices | Management | 2010 | | |
| | Strengthen staff training – see also HR above ref | Management | 2009 | Covered under HR above | |

Headquarters Structure

14) A comprehensive programme of Headquarters restructuring will be initiated in 2009 for completion by 2011 (see Chart 2 for initial target structure). It will be reviewed by the Council and Conference in 2011 with a view to further consolidation and delayering in the 2012-13 biennium. Recurrent savings will be achieved through restructuring for redeployment in undertaking the technical work of the Organization. The following principles are being applied to restructuring:

- a) A manageable span of control of the number of reports to managers at all levels, including the Director-General;
- b) Consolidation of units at all levels to reduce fragmentation and costs of senior posts, reducing FAO's tendency to work in silos;
- c) Better integration of headquarters and decentralised offices with representation of the decentralized offices in senior management decision making processes;
- d) Flexibility in unit structure depending upon functions and size;
- e) Delayering, with reduction of senior posts including D1 and D2 levels, with the introduction of dual grading of posts including D1/D2 and P5/D1;
- f) Promotion of management by results with clear frameworks for action and delegation and accountability for management within the frameworks and policy guidelines;
- g) Undertaking tasks at the most cost-effective location; and
- h) Maintaining flexibility to respond to changing world needs.

14) **To come**

| Headquarters Structure – Action Matrix | | | | | |
|---|--|--|-----------------------|--|-------------------------------|
| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | <u>Reorganize overall departmental structure and also:</u> 1. <u>establish offices of:</u> i) <u>Strategy, Planning and Resource Management</u> ii) <u>Corporate Communications, Partnerships and Interagency Affairs</u> iii) <u>evaluation</u> b) <u>transfer OCD functions to Regional Offices</u> c) <u>initiate delayering of D level posts (40 to be abolished for 2010-11 biennium)</u> | <u>Conference (2008)</u> | <u>2009</u> | | |
| | <u>Undertake internal technical department restructuring</u> | <u>Council/ Management</u> | <u>2009-2010</u> | | |
| | <u>Reorganize senior management responsibilities, including for strategic objectives and core functions</u> | <u>Council/ Management</u> | <u>2009</u> | | |
| | <u>Reorganize administrative and support functions</u> | <u>Conference (2009)</u> | <u>2010</u> | | |
| | <u>Review reorganization with a view to further consolidation and delayering</u> | <u>Council/ Conference</u> | <u>2011</u> | | |

Partnerships

15) 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

| Actions | | Responsibility for final decision | Start-End Year | Costs or Savings US\$ (million) | |
|----------|---|-----------------------------------|----------------|---------------------------------|------------------------|
| Ref. No. | Action | | | Investment | Recurrent per biennium |
| | 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 | | |
| | Stocktaking of partnerships including the potential for greater partnership with the private sector (undertake assessment and launch new or renewed partnerships) | Management | 2008-09 | | |
| | 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 | | |
| | Further pursue partnership with the Rome based UN agencies, particularly with respect to: a) areas of technical programme interface and overlap both in normative and development work; b) shared administration and services (taking note of the findings of the Root and Branch Review); c) joint oversight functions, including evaluation Progress and proposals to be reviewed annually by the Council on the basis of recommendations of findings of the Programme and Finance Committees. | Management/ Council | 2009 | | |
| | Establishment of a monitoring mechanism to ensure feedback and iterative improvement of partnership collaborations and of the FAO strategy | Management | 2009-10 | | |
| | Establishment of focal point responsibilities for partnerships (see HQ structure) | GB & Management | 2009-10 | | |