

Outstanding paragraphs of the
Report of the CoC-IEE to the FAO Conference
on the Immediate Plan of Action for FAO Renewal

8. Implementation of the IPA: During 2009, progress on the implementation of the IPA has been reported regularly by FAO Management to the CoC-IEE and its Working Groups, as well as to the FAO Council. As called for in Resolution 1/2008, a Trust Fund was established for the implementation of the IPA. By the end of September 2009, 29 Members had made pledges totalling USD 8.3 million, while 22 had made payments to the Trust Fund totalling USD 5 million **[update as necessary]**. The Resolution urged all Members to contribute extra-budgetary resources of a provisional amount of USD 21.8 million (exclusive of 7% PSC) for 2009. While the funding requirement for 2009 was subsequently revised down to USD ~~15.8~~14.3 million ~~out~~(exclusive of ~~which~~PSC), with USD ~~10.5~~9.8 million ~~were~~(or USD 10.5 million with PSC) considered essential to initiate the implementation of inter-dependent actions, the total pledges fall short of this amount.

22. **Impact Focus Areas.** As set out in the IPA (action 1.5), Impact Focus Areas (IFAs) have been established to:

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

It was also recognized that the full utilization of IFAs is still work in progress- and the issue should be regularly considered by the Finance and Programme Committees during 2010-11.

25. The CoC-IEE endorsed the application of the new budgeting model, as mandated by the IPA, noting that the integrated budget provided a more holistic view of resources at the disposal of the Organization, which is intended to improve governance, oversight and application to the agreed results frameworks while also highlighting the important role of voluntary contributions. While the uncertainty and earmarking of voluntary contributions could affect the achievement of planned results in the unified work programme, it was noted that the mobilization and provision of voluntary contributions ~~needed to be more strategic and carefully monitored~~need to be fully aligned with the Strategic Objectives. The voluntary contributions will be regularly monitored by the Programme and Finance Committees and the Council, driven by results frameworks, and with less earmarking. This oversight will be facilitated by the introduction of a results-based implementation performance monitoring and reporting system in 2010-11.

28. As foreseen in the IPA (action 3.3) and agreed by the CoC-IEE and Council, the combined MTP/PWB provides the full elaboration of the results frameworks and the planned 2010-11 resource allocation for each Strategic Objective and Functional Objective, which includes:

- the objective title, being the benefits or changes expected to be achieved in a ten-year timeframe in country institutions, the international community or development partners;

- the statement of issues and challenges, being the problem(s) to be addressed, including significant demographic, environmental and macro-economic factors and trends; it highlights key development intervention needs focusing on opportunities for intervention by FAO, through targeted Organizational Results and Primary Tools;
- assumptions and risks associated with the achievement of the objective, assuming the Organizational Results are achieved. Assumptions are hypotheses about risks that could affect the progress or success of a development intervention;
- checklist of the application of the core functions to the achievement of each of the organizational results;
- organizational results, being the outcome, or effects, that are expected to be achieved over a four-year time horizon from the uptake and use of FAO's products and services;
- indicators, being the quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor;
- baseline, being the value of the indicator measured at the beginning of the period – in this case the beginning of 2010;
- targets, being the value of the same indicator at the end of the two-year PWB and four-year MTP, hence reflecting what is expected to be achieved during those periods; and
- the level of resources (assessed and voluntary) planned for each Organizational Result across the Organization for the 2010-11 biennium.

It should be noted that the FAOR programme and the TCP at present are not fully integrated into the results based framework. [Recognizing that this matter is work in progress, it will be further considered by management and the relevant Governing Bodies during the 2010-11 biennium aiming at implementation in 2012 to the extent possible.](#)

41. The issue of the membership of the Council was discussed extensively in 2008, following the conclusion by ~~the IEE Working Group II~~ that the representational basis of Council membership was unbalanced and in need of review. In 2009, the various options for the membership of Council which had emerged from previous discussions were placed before Working Group II for further consideration, noting that an effective and efficient Council was considered important by all Members.

44. *[Eventually, the views expressed on the size issue could not fully converge and a consensus could not be achieved. This unsettled issue therefore remains outstanding within the governance reform process stemming from the IPA.]*

46. The IPA called for a comprehensive restructuring of FAO headquarters, to be initiated in 2009 and pursued in 2010-11 for completion by 2012 (IPA actions 3.91 through 3.103). It included a tentative revised organizational structure at Headquarters, with broad agreement in principle on the “apex” features of a new organigramme. More detailed elaboration of the structure remained to be carried out, based on consultations between Members and Management. ~~This had also to take account of the recommendations from the Root and Branch Review, which became available at the end of April 2009, and the finalization of the results frameworks in the draft Medium Term Plan.~~ [The CoC-IEE endorses the comprehensive restructuring of FAO Headquarters \(Figure 1\) for implementation. As foreseen in the IPA, the organizational structure will be refined through 2012 based on consultation between](#)

Management and the Governing Bodies, including the alignment between cross-cutting issues such as rural development and food security and the structure.

55. The regional offices (ROs), working as appropriate with subregional offices (SROs), will progressively take on new responsibilities for which they will be accountable, for: (i) overseeing the country offices, including the management of resources of the FAO Representations (FAOR) network; (ii) managing the non-emergency TCP programme in the respective regions; (iii) leading the strategic planning, programming and budgeting process for the region; (iv) supervising regional technical officers; (v) organizing and servicing the strengthened Regional Conferences; (vi) leading partnerships, particularly with regional organizations; and (vii) supporting country offices on matters dealing with UN reforms. [The funding of Regional Offices, in the overall framework of the 2010-11 PWB, including efficiency savings, must be commensurate with their new responsibilities.]

57. The initiatives taken by Management, within the authority of the Director General, to address in the short term the structural deficit in the budget of the Country Offices network were endorsed by the CoC-IEE. In line with the recommendations of the IEE, it was agreed to abolish the Lapse Factor for posts in the FAORs network. This will allow greater provision of resources for the FAORs budget and entail a reduction of the structural deficit. [The remainder of the FAOR network deficit during 2010-11 will be covered through interim measures such as appointing Emergency Coordinators as Officers-in-Charge of FAO Representations and, on a case by case basis, placing current FAO Representatives against vacant posts in the Regional and subregional offices.] *[During 2010-11, the remainder of the FAOR network deficit will be covered by appointing Emergency Coordinators as Officers-in-Charge of FAO Representations (thus facilitating the link between relief, rehabilitation and development and the integrated budget approach being adopted); outposting of technical officers from regional offices as FAO Representatives; and placing current FAO Representatives against vacant posts in regional offices. Efforts to obtain timely and full payment of Government Counterpart Cash Contributions (GCCC) should also be pursued, taking into consideration special conditions facing countries.]* *[Given the constraints on the short term, management was requested to present short, medium and long term options to strengthen the network of Decentralized Offices.]*

59. [The proposed decentralized structure which shows the new reporting lines is illustrated in Figure 2-while details2. Details of posts and resources allocated to the ROs and DOs can be found in the PWB 2010-11.]

72. By the end of 2009, 56 percent of the total number of IPA actions mandated in Conference Resolution 1/2008 are projected for completion. In the course of 2010-11 and beyond, a number of very complex projects will be carried out with the aim of introducing new ways of managing, new work processes, new administrative services, new HR policies, and new monitoring, reporting and evaluation systems which will significantly change the way the Organization works (see Annex 5). Management will present a revised time-plan for the continued implementation of the reform agenda. During the next biennium, IPA actions will predominantly fall into the five [six] following areas:

- *Focus on Member needs through **results-based programming**, monitoring, reporting and resource mobilization:* the Organization will develop monitoring and reporting systems to provide key performance information to Members and further enhance the new planning and budgeting model with inter alia the activities mentioned in paras 22, 25 and 28 regarding the utilization of the IFAs and the full implementation of the results-based management framework. An organization-wide rollout of the staff

appraisal system (PEMS) will be undertaken in 2010-11 to complete the “accountability link” between FAO Strategic Objectives and individual staff performance. Emphasis will be given to prioritization of the technical work of the Organization, which is an ongoing exercise that needs to be actively pursued throughout the first full cycle of results-based planning in 2010-11. A resource mobilization and management strategy, comprising Impact Focus Areas, national Medium Term Priority Frameworks, and regional and subregional areas of priority action, will be implemented with a view to ensuring that voluntary contributions focus on the agreed results frameworks and improve Governing Body monitoring and oversight.

- ***Functioning as one Organization*** by aligning its structures, roles and responsibilities to the results framework: the Headquarters structure will continue to be refined, and the Organization will invest in the essential infrastructure to enable staff in the Decentralized Offices to be able to use the same corporate tools and facilities as their colleagues in Headquarters. The Organization will also double the number of staff rotating between Headquarters and/or the Decentralized Offices to ensure the flow of knowledge and expertise between the offices, and enrich the experiences and knowledge of the staff. Further clarifications of the functions of some units will be required to ensure that the Organization functions as one. Management will prepare a [\[proposal providing a\] medium to long-term vision related to the structure and functioning of the Decentralized Offices network, bearing in mind \[the country coverage criteria provided in\] the IPA \[and the resources available to the Organization-\]. \[FAO Management, after receiving inputs from Regional Conferences in 2010 will present proposals to the relevant Governing Bodies for approval and implementation. The whole process will take place with active participation of the CoC-IEE.\] \[Management proposal on this matter should be considered by the Governing Bodies in 2010. Before the finalization of the proposal and its presentation to Council, the proposal will be considered by the Programme Committee, the Finance Committee as well as the CoC-IEE and the Regional Conferences.\] / \[Management medium and long term vision on the structure, functions and staffing of the DOs should be shared with the Regional Conferences prior to its submission to the relevant Governing Bodies and the CoC-IEE.\]](#) FAO’s partnerships will be enhanced and renewed pursuing the possibilities for further joint activities and collaborative arrangements with the Rome-based agencies and the United Nations system, as well as the private sector and civil society organizations.
- [Effective Decentralization: the ongoing process of decentralization will receive further impetus. The criteria for Country Offices will be revisited with a view to arriving at a firm benchmark for fully-fledged FAORs while also exploring opportunities in sharing Country Offices with other UN agencies and multilateral institutions, The staff size and its mix in the ROs and SROs will be reviewed in the light of additional responsibilities transferred from HQ to these offices and programme priorities which are expected to emerge from the Regional Conferences in 2010. With a view to strengthening synergy, the working arrangements between country, regional and subregional offices including the reporting system will be further streamlined and the efficiency and effectiveness of the three Shared Services Centres will be objectively assessed. The recruitment of national professionals in DOs will be encouraged and efforts made to attract extra-budgetary resources for region and subregion based inter-country programmes and other initiatives that could attract partners.](#)
- ***Optimizing human resources through HR policy, practice and culture change:*** the Organization will fully develop a joined up and consistent system for the recruitment

and development of young professionals, and invest in additional professional staff in the Human Resources Management Division to support their role as strategic business partners to the Organization. Important initiatives such as the staff rotation policy and the roll out of the Performance Evaluation and Management System will be carried out. Culture change activities will focus on monitoring the implementation of the internal vision and ensuring the integration of culture change in the overall reform process.

- *Efficient use of Member contributions through **reform of administrative and management systems***: the functioning of the Shared Services Centres will be enhanced and the review and further automation of the registry function will commence. The new printing and distribution unit will be established and a range of improvements to headquarters and field procurement processes will be introduced. Administrative processes will continue to be streamlined, also taking into consideration the results of the ongoing external review of the administrative activities of the Office of the Director-General. A pilot enterprise risk management project will be completed, which will assess FAO's current risk management structure/framework, identify gaps and inform the development of an Organization-wide Enterprise Risk Management Framework, which will contain the necessary elements to continuously improve the Organization's risk management capabilities.
- *Improved articulation of Member needs through **effective governance and oversight***: the evaluation function will be further strengthened, including in its advisory role on results based management, programming and budgeting. [\[The outstanding issue of the membership of the Council will be further considered; and multi-\]](#) [Multi](#)-year programmes of work for the Council, the Council Committees and the Regional Conferences will be further defined and prepared. [The functions and Terms of Reference for the proposed Ethics Committee will remain under review of the relevant Governing Bodies.](#)