

Review of Decentralized Offices Staffing, Location and Coverage

1. This note provides an update on the work being done with regard to decentralization. Over the course of the year, three formal meetings were held on the topic of decentralization, on 17 April, 4 June and 23 July, together with two informal meetings on 7 April and 7 July. The topic has elicited strong interest of the Members at both informal and formal sessions. One of the main outcomes of these meetings has been a more holistic approach to decentralization cutting across various IPA projects.

2 Accordingly, a strong emphasis is being given to improving the coherence, performance and integration of the current decentralized offices network, assuring that the organization “functions as one”. An outline of the planned work is provided in paragraphs 163 through 177 of the MTP 2010-13/PWB 2010-11 (document C 2009/15)

3. Building on this holistic approach, steady progress has also been made over the past year. A stronger role has been given to Regional Offices in decision-making. Regional Representatives (RRs) have become regular participants, through videoconferencing, of the Senior Management Meetings and other important corporate policy meetings and are contributing to a better balance between global, regional, subregional and country concerns. RRs in consultation with other Decentralized Offices (DOs) have played a lead role in preparing budget proposals for their offices, as well as for the region in general, for the 2010-11 biennium. As of 1 January 2010, RRs will also have full budget and programme responsibility for technical officers in the region. They will also progressively oversee the work of the FAO Representations which will report to them. The Subregional Offices (SROs) have also seen a major change in the role and functions and the subregional Multidisciplinary Teams (MDTs) (in which FAO Representatives and the Subregional Technical Officers (STOs) work together) and are emerging as a strong and effective team.

4. In the course of work over the year, three points have emerged as being of special significance:

- Firstly, the IEE has requested that increased decentralized responsibilities is to be undertaken without any net transfer of resources to DOs. The lack of additional resources for the additional responsibilities being transferred to DOs is a constraint for the DOs. It would be important to consider ways, maybe through dedicated extra-budgetary resources, to assist DOs to carry out the additional work in an appropriate manner.
- Secondly, if decentralization is not to result in fragmentation of FAO, there is a strong need for actions that will ensure overall coherence in the Organization. These include the work on results-based management that unifies country, regional and global action, benchmarking and knowledge sharing.
- Thirdly, changes in administrative policies such as that on staff rotation, Performance Evaluation and Management System (PEMS), and delegation of responsibilities, will be essential to make the DOs truly an integral part of the Organization.

- Lastly, there are areas of reform where the Secretariat can only take matters up to a certain point by compiling and analysing data. Beyond this point the Members may need to take a proactive approach to provide guidance for concrete follow up action.

A. Ongoing Work on Functioning as One

5. Actions to improve the working of DOs is continuing and actions and timelines are shown in Annex 1. The work is covered under a number of distinct areas addressing a broad range of activities such as results based management, human resources management, administration, technology and delegation spanning numerous IPA projects. As a result of the high priority accorded to improving the effectiveness of decentralization and further contributions to the IPA Trust Fund, there has been an allocation of resources for initiation of further actions on decentralization.

Activities to be initiated as a result of availability of resources

6. As a result of the resources made available (US\$1.2 million), two important actions that required funding to start implementation can now be initiated. These two actions are related to: (i) the introduction of benchmarking and a performance-based reporting and monitoring system for DOs (action item 3.88); and (ii) the upgrading of ICT infrastructure and functional support for DOs (including training) (action item 3.90).

- **Benchmarking and performance-based reporting.** Benchmarking helps organizations evaluate their business processes by comparing them with a base line and with best practices. Benchmarking complements results-based management (RBM) (which focuses on the impact of programmes/projects) by assessing the processes in place and helping create an enabling environment. During initial discussion on RBM, some of the DOs pointed out that results of their work could not be compared across countries, subregions and regions due to widely varying situations. Thus it would be important to measure, for example, if a country office is preparing a National Medium Term Priority Framework (NMTPF) and has undertaken a consultation process for its formulation and validation, and is working well with stakeholders and partners. Similarly, in the case of SROs, it would be relevant to measure how quickly they respond to requests from country offices.
- **IT Upgrade.** Improved IT would allow DOs to effectively use corporate systems such as financial and human resources management systems, ATLAS, the Business Intelligence solution and other Internet and Web-based systems ensuring the continued availability of essential management information at central level, and further delegation of transactional activities. Moreover, it will provide the necessary support needed for internal knowledge exchange between headquarters and DOs as well as among DOs. Such integration of systems, administration and technical work will be essential to make the Organization function as one. Funding has been provided through the IPA Trust Fund, under IPA item 3.90. The upgrading will focus on bringing all offices, particularly country offices, up to a minimum standard of connectivity (including with other offices and the Internet) – based on the actual number of in-country FAO personnel regardless of funding

source. To this end, urgent hardware and software upgrades at offices with poor connectivity are under preparation. Applicable lead-times will result in practical improvements during 2010. Concurrently, work is progressing on the provision of higher-quality videoconferencing solutions to Regional and Subregional Offices, wherever the local telecommunications infrastructure will permit. In parallel with this, future telecommunications requirements are being analysed based on inputs from subject-matter areas in headquarters and DOs. It will also be necessary to re-examine FAO's telecommunications environment/architecture in accordance with evolving changes to organizational structure and business processes.

Other key ongoing activities

7. Much of the strategic and planning work, including that for DOs, has been taking place in the context of the PWB preparation and the present phase is nearing completion. Such strategic and planning work will clearly benefit from successive improvement during the 2010-11 biennium through strengthening of regional conferences, preparation of NMTPFs, direct supervision of technical officers, etc. Moreover, in the coming months it will be critical to complete some of the more operational aspects related to decentralization which will make a substantial difference in the day to day work of DOs. Some of these relate to procurement, contracting, and transfer of TCP and OCD responsibilities.

- **Increased Delegation to DOs for Contracts and Procurement.** A large proportion of the work of the Organization, both at headquarters and in the field, is undertaken through Letters of Agreement (LoAs) covered by Manual Section 507. This includes work related to delivery of inputs and services undertaken as part of emergency operations, contracts for research, studies and preparation of documents, guidelines etc.; and collaborative activities with universities and other not-for-profit agencies. A consultative process with stakeholders, both at headquarters and in the field, is coming to a conclusion. The proposed revisions to MS 507 respond to IPA recommendation regarding delegation of authority for LoAs to divisional level and to the DOs. The revised Manual Section 507 embodying the new LoA policy and revised procedures will be completed by the end of 2009 for implementation from 2010. Manual Section 502 "Procurement of Goods, Works and Services" has also been substantially revised to address recommendations for increased delegation of authority, greater autonomy in the field, support for subsidiarity and heightened transparency. It will also support greater cooperation with other UN agencies and allow the Procurement Service (AFSP) to concentrate more on strategic and policy issues in line with the recommendations of the Root & Branch Review. This Manual Section will also be issued by the end of 2009.
- **Transfer of TCP and OCD functions and associated training programmes** Considerable discussions have taken place with DOs on transfer of TCP and OCD functions. Currently, programmes have been put in place or are being developed for all DOs to enable them to start taking over functions related to these additional functions. Further, in conjunction with the implementation of the revised MS 502, training programmes will be carried out during 2009 and throughout 2010 for relevant staff in headquarters, ROs, SROs and Country Offices to ensure that the concerned staff has the necessary knowledge to implement the relevant responsibilities. At the same time, the regular training and staff development

activities for FAO Representatives (FAOREps) and the staff of Country Offices will continue in the usual manner.

B. Review of Country Coverage

8. The joint meeting on 23 July 2009 of the CoC-IEE Working Groups I, II and III was informed that management would provide to the Regional Groups additional information on the application of the relevant criteria with respect to FAO's country presence. All Regional Groups have since been provided with details of countries meeting each of the five quantifiable criteria set out in the IPA under cover of a letter transmitted by the Chairperson of the CoC-IEE of 28 July 2009. It was envisaged that this data would "facilitate further discussion on the issues involved through the Regional Groups, for follow-up deliberations in the Working Groups in September 2009" (Chair's Aide-Memoire of the 23/24 July Meeting). Regional Groups may report back on any progress made on this matter and on any proposals that may have been formulated.

9. As indicated in the management paper of 23 July, as an interim measure to cover the budgetary deficit, a number of FAOREps are being placed against Regional Technical Officer posts; and some Regional Technical Officers are being placed as FAOREps. In addition, in a few countries where FAO's programme is primarily focused on emergency operation, the Emergency Coordinator is being appointed as Officer-in-Charge of the Representation. These interim measures are aimed at fully covering the budgetary deficit on a temporary basis, till such time as relevant guidance is received from Members on their review of FAO's country coverage.

C. CoC-IEE Guidance Sought

10. CoC-IEE views and guidance are sought on how to proceed with regard to:
- The possibility of extra-budgetary resources to strengthen the DOs, particularly to carry out the additional functions in an appropriate manner.
 - Next steps related to country coverage.

Annex I: Schedule of Actions foreseen under IPA that will affect decentralization. Progress since 23 July 2009

Division	IPA Project	Deliverable	Start	End	Recent Progress
1. Decentralization of TCP and OCD Functions					
TCO	5	Training DO staff (Sept 2009 - Dec 2009) followed by full decentralization of non-emergency TCP project management as of 1 January 2010	01/09/09	01/01/10	Training programme and guidelines are expected to be completed by end August and to be translated. Draft joint training schedule (PEMS/TCP/RO-SRO meeting) has been completed.
OCD	6	Transfer of OCD responsibilities to ROs	01/01/10	31/12/11	
2. Technical Skills Mix Review					
OCD/PBE	6	Skills mix review of ROs and SROs	01/05/09	31/07/09	A review of staffing in regional and subregional offices was undertaken, aiming to align the skills mix to regional and subregional priorities under the new MTP and PWB. Some changes and amendments have been proposed in technical disciplines to better match the requirements of the (sub)region. Skills mix changes will be implemented incrementally in the course of the biennium as vacant posts are filled.
3. Results-based Management					
PBE	3	Work planning covering all sources of funds rolled out to RO/SROs	01/01/10	31/03/10	
PBE	3	Design of MTP-PWB planning model/process for country offices	01/01/10	31/03/10	
PBE/AFH	3	RBM Training rolled out to RO/SROs	01/01/10	30/06/10	In conjunction with the PEMS roll-out training (Sept 09 – Feb 10) for all staff both at headquarters and the DOs, an RBM overview will be delivered providing the basic concepts and expectations of the new model.
OCD	6	Benchmarking and performance-based reporting system	01/10/10	31/12/10	
PBE	3	Implementation monitoring (RO/SRO). June 2010 for the first mid-term reporting	01/05/10	01/06/10	

Division	IPA Project	Deliverable	Start	End	Recent Progress
PBE	3	Pilot country office PWB-MTP planning process	01/07/10	31/03/11	
PBE	3	MTP-PWB planning (RO/SRO)	01/10/10	31/12/11	
4. Human Resources Management					
AFH	14	Mobility/rotation policy to Sept 2009 CoC-IEE	01/01/09	31/10/09	Draft policy proposals have been elaborated. These must still undergo a consultation process with internal stakeholders before finalization and issuance.
AFH	14	Revised competency framework including functional competencies of FAO Representatives	01/09/09	31/03/10	see below
OCD	6	Development of competencies and job descriptions for staff of DOs.	01/10/09	31/12/10	Revised competency profiles and job profiles of FAORs, RRs and Subregional Representatives (SRRs) would commence in October upon finalization and endorsement of revised Circular on Roles and Relationships.
AFH	14	PEMS roll-out in ROs, SROs, Liaison and Country offices	01/10/09	01/04/10	PEMS roll out is progressing with the proposed training within 18 RO, SRO, Liaison and Country offices beginning in the month of September and continuing into the 1st week of December.
AFH	14	Expansion of the Management and Leadership Programme consisting of participation by P-5/D-1s in the Management Development Center (MDC) and a coaching programme with a Management and Leadership Curriculum that focuses on: (i) Building Strategic Partnership; and (ii) Strategic Management and Leadership	01/10/09	31/12/11	Seven FAORs to attend MDC 5/6 October 2009 Four FAORs enrolled in Coaching Programme One FAOR and two officers from DOs to attend Women's Leadership & Management Training course in Sept 2009
AFH	14	The FAO Virtual Academy (FVA) i.e. a hosted network for the delivery, at all locations, of human resources development and learning programmes to FAO staff together with related coaching services and face-to-face events through, <i>inter alia</i> , the deployment of the Oracle Learning Management System (late 2009 to 2012)	01/11/09	31/12/12	i) a project manager has been identified and is expected to be contracted for an initial 11 months to manage the operation starting mid-October ii) a procurement framework agreement with WFP has been agreed on for which e-learning service providers can be 'called -down' on by FAO to provide products and services
5. Administration, technology and delegation					

Division	IPA Project	Deliverable	Start	End	Recent Progress
AFS	9	Launch of greater delegated authority for procurement to DOs through the revision of Manual Section 502 - Procurement guidelines	01/09/09	30/09/09	Revised MS 502 is awaiting final clearance. Training materials have been finalized and a pilot training on the revised MS is scheduled for September. AFS is working with OCD and TCE to develop a training schedule for relevant staff in the field. Final approval and roll-out of revised MS 502 foreseen for 4 th Q 2009
KCT	6	Wide Area Network connectivity for DOs including provision of an enhanced IT support. This will permit nearly all DOs to effectively use corporate systems, including Oracle, Data Warehouse, Intranet and Web-based applications and improve communications to and between ROs and SROs through the deployment of high-quality videoconferencing. Planned under IPA item 3.90 subject to IPA funding	01/09/09	31/03/11	Consultation with user community has commenced, to assess telecommunications requirements for this and other IPA projects and for other decentralization initiatives not covered within IPA. This process will continue into the fourth quarter of 2009. In parallel, assessment is being made of technical possibilities that could bring as many DOs as possible up to a connectivity baseline, consistent also with the number of system users in each office and their usage types. See comment re Oracle Financials at IPA Project 11a. below
KCT	11b	Provisional plans to make a number of applications available to DOs, such as Oracle performance management system (2010), Business Intelligence applications (2011)	01/01/10	31/12/11	A gap analysis has been completed on Oracle performance management determining that it can be utilized to perform the functions required by DOs, pending a number of functionality customizations. These are expected to be completed in time for a phased deployment of the system, starting in January 2010, including DOs. Work has begun in the area of Management Information Systems (MIS) where a Business Intelligence (BI) software platform has been purchased and installed in FAO. Performance of proposed solutions was especially tested for use by DOs prior to final selection of the product. It is expected that the first batch of BI applications will be available in the first quarter of 2010. DO BI application specific requirements will be part of a 2010/11 planned CAPEX MIS project.
AFS	9	Launch of greater delegated authority for letters of agreement through revision of MS 507 - Letters of Agreement	01/01/10	31/01/10	AFS has submitted a proposal for modifications to the LOA regime which has been circulated throughout the Organization. Based on the responses received, greater information was requested from field offices, including Emergency Coordinators. These responses are being reviewed and a revised MS 507 is planned for completion in the fourth quarter of 2009 with implementation foreseen in the first quarter of 2010.

Division	IPA Project	Deliverable	Start	End	Recent Progress
AFS	9	Launch of greater delegated authority of DOs for vehicle purchases through new framework agreements (mechanism whereby the DOs can directly purchase vehicles needed without coming to AFSP)	01/01/10	31/01/10	Tender to be launched in the fourth quarter of 2009.
AFS	9	Launch decentralized framework/long-term agreements for seed and fertilizer purchases.	01/01/10	31/01/10	Analysis underway.
AFF	11a	(i) Improvements to processes, procedures and systems in the DOs to support IPSAS compliance including receipts of goods and services, inventory and assets. (ii) IPSAS Project integrates the FAS Replacement Project. FAS addresses financial transaction processing, accounting and reporting at DOs.	01/10/11	31/12/2012	The user requirements phase of the IPSAS (including FAS Replacement) Project is underway and is proceeding in accordance with plan. An analysis has now been undertaken to assess the feasibility of deploying standard Oracle Financials functionality to DOs (i.e. SROs, FAORs, Liaison and Project Offices). The result of such analysis is that, in the absence of wholesale re-engineering of business processes and/or substantial re-configuration of the existing Oracle implementation, the Organisation cannot deploy Oracle Financials to support the business of the DOs. Following completion of the user requirements phase of the IPSAS (including FAS Replacement) Project, alternative solutions will be assessed for implementation.
6. Other Areas of Work Related to Decentralization					
OCD	6	Development of new Circular on Responsibilities and Relationships.	15/06/09	15/10/09	Revised drafts have been reviewed by the Team of IPA Project 6 and the Reform Support Group.
KCC	1	Amendments to the Basic Texts to change status, functions, reporting lines and work methods of the Regional Conferences. Review by 137th Session of the Council (28 September - 2 October) and adoption by November 2009 Conference - <i>document CCLM 88/4 refers</i>	22/07/09	22/11/09	Regional Representatives have been asked to prepare the 2010 Regional Conference agenda's in a manner that reflects the new relationship of Regional Conferences with the Conference and Council.
PBE/TCA	4	Develop new resource mobilization-related advocacy/communication material for website and IFA promotion material that provides success stories at	01/09/09	31/03/10	

Division	IPA Project	Deliverable	Start	End	Recent Progress
		country or regional level			
KCE		Senior Management approval of draft Corporate Capacity Development Strategy	01/10/09	31/10/09	Following extensive consultation with headquarters units and DOs, the final draft of the corporate strategy on capacity development is undergoing clearance. Modality for bringing the strategy to the Governing Bodies under consideration.
KCE		Senior Management Approval of draft Corporate Information and Knowledge Management Strategy	01/10/09	31/10/09	Following extensive consultation with headquarters units and DOs, a draft Information and Knowledge Management Strategy will be ready by end of August. It will then be submitted for review and endorsement through the Interdepartmental Working Group on Knowledge Management and the WAICENT Advisory Group, and subsequently submitted to review and approval by SMT and final management clearance. Modality for bringing the strategy to the Governing Bodies under review.
PBE/TCA	4	Agree on roles for resource mobilization and resources allocation for field offices (ROs/SROs)	01/01/10	31/03/10	
PBE/TCA	4	Review of cost recovery FAO policy and implementation, in particular at country level	01/01/10	31/12/10	
ADG/RRs		First round of reformed Regional Conferences	01/01/10	31/12/10	138th Session of the Council in November 2009 will review / approve the Provisional 2010 Calendar, including dates of the Regional Conferences.
PBE/TCA	4	Definition of the NMTPF role for resource mobilization at country level and related role of Country Office	01/03/10	31/03/10	
PBE/TCA	4	Implementation of agreed revised resource mobilization roles by DOs	01/04/10	30/09/10	
PBE/TCA	4	Training/support to DOs on new resource mobilization approaches	01/04/10	31/12/10	
AUD	12	Enterprise Risk Management. No deliverables foreseen in 2009. Review of external consultant's report by management and Governing Bodies foreseen July - Nov 2010	01/07/10	30/11/10	