

## IEE Reform - Status of Early Actions

“Early actions” are activities upon which the Director-General has the authority to proceed prior to the Governing Bodies’ full review of the draft Immediate Plan of Action. Active management attention has been given to all early action activities to contribute to momentum on follow-up to the IEE. Early actions require communication and consultation, building confidence and engaging the Working Groups, staff bodies and staff at large. Some also require changes to procedures, reprogramming of computer systems, expert consultants, staff training, testing and piloting of new processes. Despite these constraints, 80% of the 117 early actions are either completed (27%) or progressing normally (53%) toward their planned completion dates, whilst 20% of early actions are experiencing delays in implementation or are on hold, due to lack of funding or other reasons. Any early actions not completed prior to Conference 2008 will be included in the IPA, together with management actions arising from the Root and Branch review. A summary of early actions follows:

Improvements in *Administration*, as highlighted by the IEE, include activities that can be initiated by the Director-General. The first major activity was to start a Root-and-Branch review of the administration and support services. A consultant firm was selected to carry out the review in May 2008. The deliverable of the first stage of this review is a high level business model for the delivery of the Organization’s outputs at HQs and in decentralized offices. This was delivered at the end of September 2008. Following management and Governing Body consideration of this model, the consultant firm will continue with the second stage to further develop the model, provide more detail on the organizational implications, develop the projects to implement the necessary changes, and provide a more detailed cost and savings assessment.

<i><b>ACTION</b></i>	<i><b>STATUS</b></i>
Root-and-Branch review (2 Stages)	Stage 1 (high level business model) – has been completed on target and is under consideration by management.
	Stage 2 (detailed model development) – is due to start in mid-October and complete in April 2009

In the area of *Human Resources*, the IEE recommended the Organization align recruitment, staff development and promotion criteria into a coherent human resources policy framework. A strategy and policy on HR management was presented to the Working Group in April 2008, and a number of measures have been, or are being, introduced:

- authority for the appointment of Professional and National Officers was delegated to Heads of Departments, Regional and Independent Offices from April 2008;
- a 360° Performance Management approach is being piloted. This is central to Results-Based Management, linking individual staff work plans to corporate objectives and is being introduced across the Organization, from DDG level downwards;
- a Human Resources Gender Plan of Action which integrates recruitment and retention of female staff with policies such as work-life balance has been developed;
- a policy paper for the introduction of a Junior Professional Programme has been developed and is being reviewed internally;
- a Staff Rotation Policy has also been developed and is currently under internal review;
- training funds have been redistributed according to the IEE recommendation for directing training resources to building staff skills in identifying and monitoring outcomes and results;
- the Joint FAO/IFAD/WFP Management Development Centre programme will be expanded from 2008 to cover staff exercising managerial responsibilities, expanding the programme to staff below Director levels.

<i><b>ACTION</b></i>	<i><b>STATUS</b></i>
Appointment of Professional and National Officers	Delegated to Heads of Departments/Offices in April 2008
360° Performance Management	Pilot started in April 2008 – organization-wide phased rollout envisaged to commence mid 2009

Gender Plan of Action	Draft plan is under review following preliminary consultations with stakeholders
Junior Professional Programme	Policy drafted and under internal review
Staff Rotation Policy	Policy drafted and under internal review
Distribution of Training Funds	Training funds redistributed in line with IEE recommendation
Management Development Centre	Programme expanded to cover staff below Director levels but with managerial responsibilities

In the *Finance* area, adoption of International Public Sector Accounting Standards (IPSAS) was recognized as a pre-requisite for the Harmonization and Reform of Business Practices in the UN system and will be used to improve effectiveness in financial accounting, financial management and decision support systems. Management has recognized the significant dependency of the project timeline on the availability of required internal human resources throughout FAO during the period 2008-09 in an environment where there are a number of significant competing Organization-wide initiatives. In recognition of this risk, the achievability of the originally targeted implementation date of 2010 for initial IPSAS compliance is currently under review by the IPSAS Project Board.

<i>ACTION</i>	<i>STATUS</i>
Adoption of IPSAS (International Public Sector Accounting Standards)	Ongoing - the original target implementation date of 2010 is currently under review by the Project Board due to competing Organization-wide initiatives.
Proposals for Roll-Over of Funds	Ongoing – A proposal will be considered by the Finance Committee at its 123rd Session in October 2008 to support in principle a ‘carry forward’ mechanism of funds across biennia.
Continue funding long term after-service liabilities	Ongoing –The Finance Committee has been presented with updated reports on the Organization's staff-related after service liabilities and funding shortfall. The FC will review the 2008 actuarial valuation at its May 2009 session and make its recommendation to Council for funding the Organization’s after service liabilities in 2010-11.

*Culture Change* is an area of particular attention and a consultant was recruited to advise the Organization on process. An external Advisor is facilitating the work of the Change Team formed in September 2008.

<i>ACTION</i>	<i>STATUS</i>
Culture Change Process	Change Team established September 2008 and has commenced its work.

Early actions relating to *FAO Vision and Programme Priorities* have secured the preparation of an integrated results-based management framework that shifts the Organization’s focus from what it intends to do with assessed contributions to what it intends to achieve through the application of assessed contributions and extra-budgetary resources. The framework provides a strong basis for “Reform with Growth”, prioritising and focusing work in line with Members’ needs, clarifying the means-ends relationships through which FAO will contribute to agreed impacts in, and for, member countries, through a hierarchy of Global Goals, Strategic Objectives, and Organizational Results, along with Core Functions being the critical means of action to be employed by FAO to achieve results, drawing on the Organization’s comparative advantages.

Management has actively supported deliberations on the **substance of the results hierarchy** through preparation of succinct draft strategy papers covering crops, livestock, fisheries, forestry, capacity building, results-based management, resource mobilization, partnerships, knowledge management, advocacy and communication, basic data and statistics, investment support, emergencies and rehabilitation, assistance to

policy and strategy and economic, social and food and nutrition policy, gender mainstreaming and women's empowerment, environment, climate change and natural resources management. This has enabled the Conference Committee to recommend approval of the integrated results-based management framework and three Global Goals, and approval in principle of 11 Strategic and two Functional Objectives, and eight Core Functions.

More comprehensive strategy documents are being elaborated to underpin the preparation of the full Medium Term Plan in 2009. For the *Core Functions*, these include: a Strategy for strengthening Basic Data and Statistics taking into account the recent Independent Evaluation of FAO's work in this area; a Strategy on Partnerships providing guidance to FAO units and partners, focusing on lessons learned from existing collaborative arrangements and success factors; a Corporate Knowledge Management Strategy within the Organization, with Members and external partners; and, a new FAO Corporate Communication and Advocacy Policy and Strategy, covering joint communication strategy with the Rome-based Agencies.

In terms of elaborating the *Strategic Objectives* and the underlying *Organizational Results*, the strategic planning process for Fisheries and Aquaculture is progressing according to plans in 2008, whilst a revised draft FAO Strategy on Forestry was elaborated during 2008. Development of cross-cutting programmes on Climate Change, Environmental Monitoring and Assessment and Bioenergy began this year, partnering with other UN agencies. A Strategy for Support to Investment is being prepared, involving consultations with all stakeholders, and identifying new areas of work. All Special Programme for Food Security pilot projects will be phased out in 2008, with support shifting to broader national and regional programmes for food security. The share of central resources for Gender Mainstreaming and Women's Empowerment has been increased fourfold. Work on nutrition is being refocused away from community level to institutional capacity building and integration of nutrition policy in food and agriculture policy. Initial steps have been taken to forge a new cooperative arrangement for joint work with the International Atomic Energy Agency (IAEA).

<i>ACTION</i>	<i>STATUS</i>
Integrated results-based programming framework	Framework approved in principle by CoC-IEE, pending endorsement of 2008 Conference.
Core Functions	Approved in principle by CoC-IEE; pending endorsement of 2008 Conference. To further elaborate and finalize for the 2009 Conference.
Strategic Objectives and Functional Objectives	Approved in principle by CoC-IEE; pending endorsement of 2008 Conference. To further elaborate and finalize for the 2009 Conference.
Organizational Results	Significant progress made in defining Results and their targets and indicators. To further elaborate and finalize for the 2009 Conference as part of MTP 2010-13 and PWB 2010-11.
New cooperative arrangement for joint work with IAEA	To be finalized during 2009 in preparing and agreeing the full Medium Term Plan 2010-13 and Programme of Work and Budget 2010-11

Regarding *collaboration with UN system and external partners*, draft strategies are being prepared for UN partnerships; and Rome-based Agency collaboration; and further work includes engagement with civil society and the private sector; the World Bank and International Financial Institutions (IFIs), the Consultative Group on International Agricultural Research (CGIAR), and the World Organization for Animal Health (OIE).

<i>ACTION</i>	<i>STATUS</i>
UN Partnerships	Draft elements for strategy completed 30 July 2008. A strategy note is being prepared.
Rome-based Agency collaboration	A near final draft is presently circulating for clearance. A strategy note is being prepared.

In *supporting developing countries*, increased attention and priority has been given to National Medium-Term Priority Frameworks (NMTPFs) for Least Developed Countries (LDCs) in Africa. In the eight “Delivering as One” pilot countries, NMTPFs have been prepared with the active participation of government and non-government actors and development partners and integrated into the UNDAF common process. An evaluation of NMTPFs will be completed in 2009. Preparation of national and subregional priority frameworks, and related work programmes for subregional MDTs is underway. Revision of the NMTPF guidelines and procedures for NMTPF formulation, management, coordination and monitoring reflecting the new aid environment and working modalities at the country level is ongoing and training sessions addressed to FAORs and decentralized officers have been delivered, and decentralization of Technical Cooperation Programme (TCP) administration is progressing through development of procedures, guidelines and training.

<b><i>ACTION</i></b>	<b><i>STATUS</i></b>
NMTPFs for LDCs in Africa	On-going; 5 NMTPF have been completed in African LDCs and preparatory work has recently been completed for an additional 12 countries in this category as of September 2008
Preparation of national and subregional priority frameworks	On-going Support for additional countries. Roll-out countries for NMTPF preparation in 2008 include about 25 countries. Collaboration in place with the FAORs concerned. A regional NMTPF formulation was started in June 2008 for the Pacific region.
Decentralization of TCP administration	Subject to approval by the Conference in November of the system designed for TCP regional allocations and for the management of these allocations, the regional allocations will be introduced as from PWB 2010-11. The new arrangements for individual project approvals will be progressively introduced during the course of 2009 along with the development of procedures and guidelines, the strengthening of selected decentralized offices and the implementation of a training programme
“Delivering as one” Pilot Countries	On-going. In the eight pilot countries where there has been a "Delivering as One" exercise, NMTPFs have been prepared under the leadership of the FAOR (with the exception of Albania where FAO is a non-resident agency and the leadership has been taken by the Subregional Office and Headquarters) and with the active participation of government, non government actors and development partners, and integrated into the common process. This continues in the context of UNDAF 2008 along with training and preparation for joint programming

With regard to *governance and oversight*, the Office of the Inspector-General (AUD) will complete a comprehensive assessment of the Organization's current risk management approach. The Audit Committee has been reconstituted entirely of external members in 2008. An External Peer Review of the internal audit function was completed in 2007 and will be carried out every five years. A revised Charter for the Office of the Inspector-General, clarifying the Inspector-General's direct access to the Finance Committee, will be issued after review by the Finance Committee in October 2008. A draft Charter for the Office of Evaluation, providing the policy framework and institutional arrangements for an operationally independent and separate evaluation office in FAO, was considered by the Programme Committee in October 2008 and will be revised as necessary. Subject to approval by the 2008 Conference an Ethics Officer post will be established in 2009 as part of the HQ's restructuring. Rolling Multi-Year Evaluation Plans have been prepared since 2006, ensuring that evaluation meets the needs of Governing Bodies and Management, while covering all significant areas of work and areas of greatest risk. The Director-General will continue to hold interactive seminars on key issues of major interest to the membership.

<b><u>ACTION</u></b>	<b><u>STATUS</u></b>
Audit Committee	Implemented
External Peer Review	Implemented
Charter for the Office of the Inspector General	Revised Draft Charter. Presented to the Finance Committee in October 2008.
Charter for the Office of Evaluation	Draft Charter. Presented to Programme Committee in October 2008.
Establishment of Ethics Officer Post	Management has agreed to the establishment of the Ethics Officer post and the terms of reference for the post are being prepared by LEG and AUD.
Comprehensive assessment of Organization's current risk management approach	The contract for the risk management firm is at the final stage of clearance. The consulting firm should begin the review before end-2008.
Rolling Multi-Year Evaluation Plans	An Indicative Rolling Workplan of Strategic and Programme Evaluations for 2009-10 has been prepared and was presented to the Programme Committee in October 2008

### **Efficiency Savings**

Management has also taken prompt action in response to the budgetary appropriations for 2008-09 voted by Conference in November 2007, which foresaw that savings and efficiency gains of USD 22.1 million (in addition to the USD 13.3 million in efficiencies already planned in the PWB) would need to be achieved during the biennium in delivering the Programme of Work. To encourage creative proposals and to provide seed money for developing promising new ideas, an innovation fund and financial incentive scheme has been put in place. As reported to the Finance Committee in May 2008 (document FC 122/12), FAO units have proposed innovative approaches which will generate USD 18.1 million in *biennialized* savings and efficiency gains<sup>1</sup> in five broad areas outlined below, whilst the remaining USD 4 million required to reach USD 22.1 million will be identified during the biennium, including through the Root and Branch Review.

- *achieving lower costs of inputs* (USD 5.9 million) including: lower travel costs through a more cost-effective travel services contract; lower cost of entitlement travel benefits; transfer of local audit function; lower telecommunication costs using new technologies; lower costs of corporate and desktop software under a new enterprise licensing arrangement; increasing the proportion of meeting documents and publications distributed electronically; and reduced electricity bills through an inter-agency tender;
- *streamlining of administrative and operational support processes* (USD 1.7 million) including: reducing the length of the Council by one day; and reduction of external storage costs;
- *selective delayering* (USD 3 million), under which thirteen D-level posts have been identified for abolition or downgrading at headquarters through consolidation and re-organization of current areas of work;
- *human resources input mix* (USD 5.2 million) aimed at increasing the proportion of non-staff resources used for delivery of the Programme of Work through identification of 19 professional and general service posts for abolition or downgrading in areas where similar services can be provided at lower cost by non-staff human resources;
- *increasing the funding base of the PWB* (USD 2.3 million) through further extra-budgetary resources including: recovering FAO's cost of processing visa and laissez-passer requests for other Rome-based agencies; shared funding of posts where extra-budgetary resources contribute directly to the Programme of Work; and reviewing the support cost recovery policy, in line with the IEE recommendation 7.7, to ensure eligible costs are recovered.

<sup>1</sup> Biennialized refers to the aggregate savings over two years, starting as from the date of implementation