

## CoC-IEE Working Group 3 – Reform of Systems, Culture Change and Organizational Restructuring

### Proposed schedule of early action deliverables being undertaken by the Director-General

#### *Overall Context*

This paper responds to the request of the Committee at its first meeting on 14 December 2007:

13) Recalling that the Director-General had undertaken to implement an early series of quick wins and other actions in follow-up to the IEE and that the CoC-IEE was required by Conference Resolution 5/2007 to “provide ongoing review and feedback on the implementation of all actions, including inter alia quick wins, being undertaken by the Director-General, on those areas of the IEE follow-up lying essentially within his authority, recognizing that some actions are subject to the provision of the requisite budgetary resources”, **FAO management was requested to make available a schedule of the deliverables intended by the Secretariat in time for consideration by the working groups beginning on 14 January.** This should include expected costs and their timing from both Regular Programme and extra-budgetary resources. It would provide a basis for the CoC-IEE to provide its views on the intended actions as well as a basis for monitoring which, as proposed by the Director-General, should be facilitated by regular management reporting on progress against the schedule.

The schedule of early action deliverables being undertaken within the Director-General’s authority has been prepared based on the early actions in the Management Response “In-Principle” and additional actions identified since then by the Director-General and departments. The early actions are presented at the level of recommendation or actionable-sub-component, derived from IEE Report Annex 1, with the following information:

- summary of the deliverable (product, service or change to be produced), with key milestones and dependencies where appropriate;
- the planned start and finish date;
- whether the action is funded within the approved PWB 2008-09 and, if not funded, the estimated one-time extra-budgetary resources required for 2008;
- whether the early action was indicated in the Management Response “In-Principle” or has been subsequently identified;
- whether the action will be fully or substantially implemented in 2008, or whether it is a preparatory action pending other major deliverables or a decision by the Members.

The information presented in this document and the attached schedule is work-in-progress. The information was by necessity developed over the end-2007 holiday period with limited opportunity for consultation and analysis within the secretariat. In addition, there was no opportunity to take into account the preliminary suggestions prepared by the CoC-IEE Secretariat for a schedule of work and specification of deliverables for the CoC-IEE, which is also before the Working Group. Therefore, the views of the Working Group on the intended actions would be of value in helping Management to update and finalize the plans for early actions.

The proposed schedule of early action deliverables relating to Working Group 3 are summarized below.

### Summary

Under Theme 3.1: *Overarching Review of Management and Administration*, the IEE “*recommends a programme aimed at major changes to the administrative systems and institutional culture of FAO. This would include a comprehensive root-and-branch review of FAO’s human and financial resource management and administration (Recommendation 8.1)*”. The IEE also “*recognizes that this review will probably take some 2-3 years time to complete*” (paragraph 92 of the IEE report) and estimates the cost of the root-and-branch review at US\$ 3 - 5 million (Table B of Annex 1 of the IEE report). The review envisaged by the IEE is central to the scope of WG3. The review is a complex and costly one, and since the outcome of the review cannot be considered within a quick win scenario, the IEE report goes on to highlight areas where progress can already be made while the review is being undertaken.

Several reflections may be drawn from the guidance contained in the IEE report. Firstly, the final findings and recommendations of the full root-and-branch review of a scope envisaged by the IEE cannot be delivered before the November 2008 Conference. Secondly, the Organization need not wait until the root-and-branch review is completed before beginning the implementation process of administrative streamlining and culture change; there are areas broadly identified by the IEE report, and to be specified in detail by management, where the Organization can move forwards independently. These areas of “immediate action” include:

- simplifying the contracting of non-staff human resources, including retirees;
- setting departmental targets for achieving geographic balance and gender balance;
- the introduction of a performance appraisal system based on competency assessments and linked to training programmes;
- an increase and re-orientation of training resources into improving management competencies and Results Based Management, expanding the Management Development Centre;
- increased delegations of authority and streamlining based on the principle of subsidiarity;
- development of a rotation and mobility policy;
- preparation of a strategic policy paper on Cooperation between the Rome-based agencies;
- developing improved management information reporting;
- carrying out preparatory work on introduction of International Public Sector Accounting Standards (IPSAS), and full accounting recognition of after service liabilities;
- undertaking an Information Technology Risk Assessment for FAOR Offices and Liaison Offices;
- constituting a Working Group on Culture Change;
- taking measures to improve knowledge sharing throughout FAO;
- introduction of double graded posts and further delayering of D-level positions.

Consequently, the IEE report points the Organization into following a parallel process:

- **Root-and-Branch Review**

To undertake a rigorous procedure of identifying and selecting an external agency specialized in institutional analysis and organizational culture change. It is important that the international consulting firms which would be invited to bid for the review are provided with sufficient information on the Organization, its structure, its technical programmes, administrative systems and processes to enable them to make judicious bids and commit the required level of consulting services to ultimately benefit the Organization. This requires careful preparation but will ensure that the expected outputs and scope of the exercise are sufficiently well understood and the pricing of the contract is informed and competitive.

It is suggested that the root-and-branch review meet two distinct milestones – firstly a clearly defined high-level deliverable in time for the Conference in November 2008; and secondly a final detailed report in the longer term (i.e. the 2-3 year timeframe highlighted by the IEE report itself). In order to address the two distinct deadlines for the review outputs to be of maximum use, the two distinct deliverables to be produced include:

**a) By September 2008**, high level proposals including an appropriate business model for the delivery of administrative support services to customers in an efficient, effective and economical way. A business model would be provided together with associated implementation costs for the consideration of the Conference, and if endorsed, would act as a roadmap for the remainder of the root-and-branch review process, pointing the way to detailed proposals. It would provide an opportunity for the Membership to steer the review, rather than be in a position where the review is completed before being presented for consideration. Issues such as cost of implementation of recommendations are important factors to be considered by the 2008 Conference. It would allow Management and the Governing Bodies to interrelate this initial output with other documentation such as the draft Strategic Framework and Medium Term Plan, as well as other initiatives such as enterprise risk and information technology risk assessment. This phase would also provide a mechanism against which to benchmark the initial quick wins in efficiency measures and streamlining, which would have been delivered in parallel by the Organization.

**b) In 2009**, detailed recommendations regarding opportunities for service quality improvements with a time-bound target and implementation plan for *“substantial quantified administrative efficiency and productivity gains of up to 20% over the next two biennia”* (paragraph 91 of the IEE report refers).

- In the meantime, the Organization would move quickly forwards in capturing the quick wins in new initiatives, efficiency measures and streamlining mentioned above within the Director-General’s authority. Such management actions would continue throughout 2008 and be reported to the Governing Bodies on an ongoing basis. It is proposed to institute a review and approval process for individual “quick wins” to facilitate ongoing implementation of streamlining actions as the year progresses.