



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
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des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

COUNCIL

Hundred and Thirty-second Session

Rome, 18 – 22 June 2007

PROGRESS IN THE IMPLEMENTATION OF FAO REFORMS

I. INTRODUCTION

1. Significant changes to FAO's organizational structure were approved by the governing bodies in two phases, i.e. by the 33rd Session of the Conference in November 2005 and the 131st Session of the Council in November 2006¹. These included:

- the implementation of progressive changes to the organizational structure at headquarters;
- the implementation of strengthened decentralization in one region (Africa) and one other subregional office (Central Asia);
- the transfer of the Regional Office for Europe;
- the approval in principle for the establishment of a new Subregional Office in Central America, with the modalities for implementation to be submitted for a final decision to Council in 2007; and
- the establishment of a Shared Services Centre (SSC) and phased implementation of a multi-centre structure.

2. A report on Implementation of Conference Decisions was presented to the 131st Session of the Council in November 2006². This document provides a progress report on the implementation of approved changes in the organizational structure. It also presents, for the Council's final decision, the modalities of implementation for the establishment of a Subregional Office for Central America, including a ranking for its location.

¹ Conference Resolution 5/2005, CL 131/REP paragraphs 62-67

² CL 131/18 paragraphs 54-67 and Annex 3

II. HEADQUARTERS RESTRUCTURING

3. The new organizational structure for headquarters approved by the November 2006 Council³ has been implemented as of 1 January 2007, as described in *Annex 1*. It includes two important departmental-level changes over previous arrangements, i.e. the new departments for Natural Resources Management and Environment (NR) and for Knowledge and Communication (KC).

III. DECENTRALIZATION

4. The restructured regional office and four subregional offices in the Africa region, as well as the Central Asia subregional office, are operational. The Regional Office for Europe and Central Asia in Budapest and the co-located and reconfigured Subregional Office for Central and Eastern Europe will be operational by July 2007. The resulting six subregional multidisciplinary teams will provide enhanced support to country-level work in 75 countries⁴. Modalities for the establishment of a Subregional Office for Central America, with Panama ranked as the first choice, are proposed for final endorsement by Council, as set forth below.

Africa Region

5. The new Subregional Office for Central Africa is already operational in Libreville, Gabon. The host country agreement was signed in May 2006 and the professional staff complement (i.e. the Subregional Coordinator and technical officers) has been appointed. The new Subregional Office for Eastern Africa in Addis Ababa, Ethiopia is expected to be operational by July 2007, as the host country agreement was signed in January 2007, while the Subregional Coordinator has already taken up his duties and the technical officers have been designated. The Subregional Office for Southern Africa, with a new configuration, has replaced the pre-existing one in Harare, Zimbabwe. The host country agreement was signed in August 2006 and the Subregional Coordinator and technical officers are in post. The Subregional Office for West Africa, co-located with the Regional Office for Africa in Accra, Ghana, is also operational (the related agreement with the host country was signed in September 2006). The modified staffing structure of the Regional Office for Africa has been implemented.

Europe and Central Asia Region

6. The Regional Office for Europe and Central Asia is to be relocated to Budapest, Hungary, and should be operational by July 2007, with some adjustment to the staffing of the former Regional Office for Europe. The host country agreement was signed on 27 March 2007. The pre-existing Subregional Office for Central and Eastern Europe, will be co-located with the Regional Office and its modified staffing structure should be in place by July 2007. The Subregional Office for Central Asia in Ankara, Turkey is now operational, in line with the agreement with the host country signed in August 2006. In addition, contacts with the Russian Government are ongoing to establish a Liaison Office in Moscow (LORU).

Progress of the Inter-Governmental Working Group on the Subregional Office in Central America

7. At its 131st Session in November 2006, the Council approved in principle the establishment of a new Subregional Office in Central America, with the modalities of implementation to be addressed by a working group to be convened by the Secretariat with the participation of the interested countries, these modalities to be submitted for a final decision to Council in 2007.

³ CL 131/18 Annex 4

⁴ CL 131/18 Add.1 table following paragraph 58

8. Accordingly, a working group was established to review the modalities for the establishment of a Subregional Office for Central America. This working group has reached a consensus to rank Panama as first choice among possible hosts (see *Annex 2* Final report of the Working group). The Secretariat has initiated contacts and can confirm that the legal, technical and resource commitments required for the finalization of a host country agreement are fully met. The conditions offered by the Government of Panama are comparable to those agreed by other countries hosting Subregional Offices. Subject to final Council endorsement, a Host Country Agreement will be signed and measures taken in order for the office to be operational by the end of 2007.

*Progress in the preparation of proposals for a Subregional Office for the Gulf
Cooperation Council States and Yemen*

9. The Council at its 131st Session in November 2006 noted the desire of the Gulf Cooperation Council States and Yemen to establish a Subregional Office for the subregion, and stressed the need for further examination so as to present a concrete proposal to Council. Consultations are presently ongoing with a view to determining a location and the conditions for establishing this new structure. A concrete proposal will be made in due course.

FAO's Work at Country Level

10. The revised operating model for decentralized locations inherent in the FAO reforms was designed principally to enhance the Organization's response to country priorities in particular through more flexible and mobile technical support. Two cardinal dimensions of this model are: 1) empowered country offices (FAORs); and 2) Multidisciplinary Teams in Subregional Offices, which can also have recourse to higher provisions for non-staff resources. The model is being implemented in the Africa region and the European and Central Asia region in 2007.

11. Within the context of corporate learning and human resources development programmes in support of FAO reform, an ambitious training programme for decentralized staff has been initiated, covered in part by a generous voluntary contribution from the Government of Spain in 2007. For example, a first programming workshop between FAO Representatives and Subregional Technical Officers was held in May 2007 in Libreville (Gabon), and similar workshops will be held in the other five subregions under the new model by the end of 2007. This type of event has multiple aims: defining optimal collaboration within the Multidisciplinary Team; updating responses to country priorities; assessing how to make technical expertise more readily available at country level; ensuring close links with FAO's global work (e.g. on policy and regulatory frameworks, addressing transboundary pests and diseases, etc.); and providing a substantive platform for FAO's participation in the One UN pilots.

12. By the end of the 2006-07 biennium all FAORs will be trained in FAO's response to emergencies, and approximately two thirds will have received refresher briefings and participated in the joint FAO/WFP/IFAD Management Development Centre. Furthermore, international and national administrative staff in SROs and FAO Representations are having their skills upgraded, including in general administration, procurement, and financial management and reporting. Assistant FAORs (Programme) are being trained in project formulation, monitoring, reporting and other aspects of the project cycle.

13. Taking advantage of enhanced delegation of authority and the TCP Facility, FAORs are gradually taking greater responsibilities for medium-term programming. Currently, they are working on National Medium-term Priority Frameworks (NMTPF) to identify, jointly with governmental authorities, the UN Country Team (UNCT), donors and other stakeholders, specific priorities for collaboration with FAO. The TCP Facility is currently being used to support the formulation of NMTPFs in 13 countries. The NMTPFs would also facilitate the preparation of more inclusive UNDAFs that give due attention to national food security, agriculture and rural development priorities.

14. An information document on the *Status of FAO's Engagement in the United Nations System Reform*⁵ is being made available to Council. The FAO Secretariat is closely involved in inter-agency initiatives relating to the present eight "Delivering as One" pilots at country level. Special attention is given to scaling up support to FAO Representatives so that they can participate actively in UN Country Team activities through capacity development and change management with support from the Government of Spain, the FAO/Netherlands Partnership Programme and the TCP.

15. Another ongoing initiative at country level relates to the establishment of joint food security theme groups with WFP and IFAD at country level within the framework of "Delivering as One". Cooperation will also be actively pursued in the context of National Programmes for Food Security based on the "twin-track" approach, as presented in the Anti-Hunger programme and the International Alliance Against Hunger. This will be facilitated by IFAD's efforts to move its Country Portfolio Managers (CPMs) from headquarters to the countries of their responsibility. An agreement is being worked out to allow IFAD's CPMs, along with associated national staff, to be hosted in FAO offices. National IFAD staff are already hosted in some FAO country offices.

IV. SHARED SERVICES CENTRE

Background

16. The Shared Services Centre (SSC) was established on 1 January 2006, as authorized by Conference Resolution 6/2005 on Reforms in the Organization, initially through the merger of administrative work carried out in OCD⁶ with the former Management Support Service. As foreseen in the proposals submitted to, and endorsed by the governing bodies⁷, full implementation of the SSC is moving ahead and will be completed in the 2008-09 biennium.

17. In order to achieve cost savings and to address the fundamental requirement of providing real time processing services and call centre support to FAO's worldwide operations, the global operations of the SSC are being divided into three continental time zones of: a) Latin America and Caribbean; b) Asia and the Pacific; and c) Africa, Europe and Central Asia, and the Near East, reporting to a coordination centre in Rome to ensure service quality worldwide.

18. With respect to the first two zones, some of the existing MSU staffing which already carry out SSC-related functions in Santiago and Bangkok respectively will be utilized to create the related SSC hubs, thus greatly facilitating their implementation. The main SSC processing centre covering Africa, Europe and Central Asia, the Near East as well as FAO headquarters, is being established in Budapest, in view of this location best meeting the preconditions for SSC operations for these regions⁸. The decentralized configuration will achieve substantial recurring savings of US\$ 8 million per biennium compared with the present configuration, to be fully realised after its phased implementation between 2007 and 2009. This includes a reduction of 72 positions at headquarters (7 professional and 65 general service) and a net increase of 57 positions elsewhere (6 professional and 51 general service), resulting in a net reduction of 15 positions overall⁹.

Report on Progress

19. With regard to the creation of the main SSC hub in Budapest, following the November 2006 Council session, the Organization has moved into a detailed planning and implementation

⁵ CL 132/INF/5

⁶ Office for Coordination and Decentralization

⁷ CL 131/18 paragraphs 74-107 and Add.1 paragraphs 2-55

⁸ CL 131/18 Add.1 paragraphs 23-25

⁹ CL 131/18 Add. 1 paragraphs 45-46

phase in close collaboration with the Hungarian authorities. The host country agreement was signed on 27 March 2007. SSC implementation aspects include:

- office premises, infrastructure and civil works, information technology and communications (ITC) installations;
- recruitment measures;
- implementation of administrative resource management systems to support offshore SSC operations; and
- planning for the phased redeployment of existing SSC staff based in headquarters and MSU staff based in Accra and Cairo whose functions are affected by the new SSC structure.

a) *Office premises, infrastructure and civil works, and ITC installations*

20. The Hungarian authorities have provided free of charge, suitable office space located in the centre of Budapest. These offices are being renovated by the Hungarian authorities and upgraded to become fully compliant with Minimum Operating Security Standards (MOSS). They will also provide free of charge, a dedicated local area network (LAN) and cabling system, servers, network hub devices and printers, photocopiers, video-conferencing equipment and 100 desk-top computers to FAO specifications, telephony handsets etc., as well as shared use of the PABX system. The Hungarian authorities will also provide new office furniture for 90-100 staff and for the common work areas.

21. It is planned to have the office premises ready for occupation by the first contingent of 44 SSC staff at the beginning of November 2007, with a view to commencing operations in January 2008.

b) *Recruitment measures*

22. The Organization has prepared post descriptions and established posts for all of the professional and local general service positions to be located in the SSC hub in Budapest. Vacancy announcements have been issued for the first contingent of 44 local general service positions, covering the functions of HR servicing, travel processing, accounting and help-desk support, as well as office administrative support. Vacancy announcements for professional positions in the SSC in Budapest were issued in May 2007 in accordance with the normal procedures for external advertisement of international posts.

23. Plans are being prepared for the training of newly recruited staff in the SSC hub in Budapest from November 2007, as well as plans for SSC staff in headquarters to be assigned to SSC Budapest on mission status for an initial period of 4 to 6 months in 2008 to provide on-the-job training and support during the initial period of offshore SSC operations. To facilitate this, the Hungarian authorities have agreed to place at the disposal of the Organization through trust fund arrangements, an annual contribution of HUF 20 million (US\$ 93,000¹⁰) for a period of three years (2007 - 2009), for a total of HUF 60 million, to cover training and relocation.

c) *Implementation of administrative resource management systems to support offshore SSC operations*

24. Over the past three years, the Organization has been developing a new Human Resources Management System (HRMS) as part of an integrated administrative resources management system¹¹. The system successfully went live on 19 March 2007 and is being released in a phased manner to mitigate risk. The offshoring of the HR servicing function to SSC staff in Budapest and the other hubs would also be facilitated by the introduction of an Electronic Document

¹⁰ Exchange rate used of HUF 215/US\$ 1 as at 23 September 2006 - date of signature of Aide Memoire

¹¹ FC 118/18

Management System (EDMS) and the conversion of hardcopy personnel files to electronic records later this year, funded from the Regular Programme's Capital Expenditure Facility.

d) *Phased redeployment*

25. The full implementation of the SSC involves a number of one-time costs, in particular redeployment and separation costs for some staff members whose posts are abolished under the approved configuration. With regard to the reduction of 72 positions at headquarters, as mentioned above, the Organization has adopted a phased approach to facilitate an orderly implementation and to mitigate the effect on existing staff members in headquarters and MSUs in RAF and RNE. Plans have been prepared detailing, at the level of each SSC staff member, the expected period for which their function will remain and the date on which the function is planned for transfer offshore.

ANNEX 1

Headquarters Restructuring Effective 1 January 2007**Offices under the Office of the Director-General**

26. The Office of World Food Summit Follow-up and Alliances has been abolished and its functions reallocated between ODG (partnerships), the Office of the Assistant Director-General of the Knowledge and Communication Department under the auspices of the International Alliance Against Hunger unit, and the Communication Division (as part of the liaison activities with National Committees, World Food Day, TeleFood). The Office of Special Advisor to the Director-General has been replaced by the Office of UN Coordination and MDG Follow-up, and OCD has been renamed the Office for Coordination and Decentralization.

Agriculture and Consumer Protection Department

27. The Agriculture Department has been renamed the Agriculture and Consumer Protection Department. A small Crisis Management Centre (CMC) has been established in the Office of the Assistant Director-General, AG to coordinate responses to crises in transboundary pests and diseases of animals and plants, as well as food safety crises. The Secretariat of the Commission on Genetic Resources for Food and Agriculture has moved to the Natural Resources Management and Environment Department, which has replaced the former Sustainable Development Department. The Land and Water Division has been moved to the NR Department, with functions and resources relating to soil matters and fertilizers integrated into the Plant Production and Protection Division. The Agricultural Support Systems Division has been renamed the Rural Infrastructure and Agro-Industries Division.

Forestry Department

28. The former Divisions of the Forestry Department, namely the Forestry Policy and Information Division, Forest Resources Division and Forest Products and Economics Division, have been reorganized and replaced by the following three new Divisions: Forest Economics and Policy Division; Forest Management Division; and Forest Products and Industry Division.

Fisheries and Aquaculture Department

29. The Fisheries Department has been renamed the Fisheries and Aquaculture Department, and the former Divisions within the Department, namely the Fishery Policy and Planning Division, Fishery Resources Division and Fishery Industries Division, have been replaced by the following three new Divisions: Fisheries and Aquaculture Economics and Policy Division; Fisheries and Aquaculture Management Division; and Fish Products and Industry Division.

Natural Resources Management and Environment Department

30. The Sustainable Development Department has been replaced by the new Natural Resources Management and Environment Department, comprising of the following three new Divisions: Land and Water Division, transferred in part from the old Agriculture Department; Environment, Climate Change and Bioenergy Division; and Research and Extension Division.

Economic and Social Development Department

31. The Economic and Social Department has been renamed the Economic and Social Development Department. The Gender, Equity and Rural Employment Division has been established from some of the functions and resources of the former Rural Development Division and Gender and Population Division. The Agricultural and Development Economics Division has been renamed the Agricultural Development Economics Division and incorporates the Global

Perspectives Studies Unit. The Commodities and Trade Division has been renamed the Trade and Markets Division.

Technical Cooperation Department

32. The Policy Assistance Division (TCA) has been renamed the Policy Assistance and Resources Mobilization Division.

Knowledge and Communications Department

33. The General Affairs and Information Department has been replaced by the Knowledge and Communication Department, with the International Alliance Against Hunger functions assigned to the Office of the Assistant Director-General. The Department comprises the following four Divisions: Information Technology Division, which was the former Information Systems and Technology Division, has been transferred from the former Administration and Finance Department; Knowledge Exchange and Capacity Building Division, formerly the Library and Documentation Systems Division; Communication Division, formerly the Information Division, which incorporates liaison activities with National Committees, World Food Day and Telefood; and Conference, Council and Protocol Affairs Division.

Department of Human, Financial and Physical Resources

34. The Administration and Finance Department has been renamed the Department of Human, Financial and Physical Resources. The Information Systems and Technology Division has been moved to the new Knowledge and Communications Department as indicated above.

ANNEX 2

**Final Report of the Working group on the establishment of the new
FAO Subregional Office for Central America**

35. During its 131st Session, held on 20-25 November 2006, the FAO Council approved in principle the establishment of a new Subregional Office in Central America. The Council further indicated that the modalities of implementation should be addressed by a working group to be convened by the Secretariat with the participation of the interested countries. Once an agreement is reached on these modalities they should be submitted to the Council for a final decision in 2007.

36. As follow-up to this decision, the Secretariat established a Working Group with the participation of the six countries in the Subregion that are represented in Rome: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. In order to facilitate the process, the GRULAC nominated H.E. Mr. José Roberto Andino Salazar, Ambassador of El Salvador, as coordinator of the group of member countries.

37. The working group held several meetings in order to address the task it was entrusted with. During the first meeting, the Secretariat made a presentation of the selection criteria that was followed by requests for clarifications and discussion.

38. During the following meetings, discussion focused on the candidatures of the various countries. Letters were received from Guatemala and El Salvador formally withdrawing their candidatures, while Panama and Costa Rica wrote confirming their interest. Panama and Costa Rica were requested to make a presentation on their proposals, followed by discussion. Complementary information was subsequently received from Costa Rica

39. The working group reviewed the results of a comparative analysis of the overall situation and of the offers of the two candidate countries.

40. The generous offers from both candidate countries to make available all the required inputs for the establishment of the new Subregional Office for Central America demonstrate the commitment and the great importance that is attached to FAO's activities at Subregional level. From the analysis it is clear that both offers have their merits. While many aspects of the two offers are indeed comparable, one particular element – as elaborated below – truly stands out and makes a difference in the consideration of location of the Subregional Office.

41. As the United Nations Reform is moving fast and coming to speed, the concept of “Delivering as One” is gaining momentum, focusing on cooperation and coordination among all UN system organizations in all possible areas, in particular, co-location and common services, facilities and processes that play a major role in evolving a common programme. It is noted in this regard that Panama hosts the Regional Offices of UNICEF, UNEP, WFP and OCHA; the Subregional Offices of UNDP and of the UN Office on HIV/AIDS (UNAIDS) and the United Nations Department of Security and Safety (UNDSS). The WHO/PAHO Subregional Disaster Office and the UNDP Subregional Facility for Latin America are also located in Panama. All these institutions are hosted in the *Ciudad del Saber* (City of Knowledge), which also hosts a number of other UN Agencies.

42. In this regard, it is also important to note that UNDG (United Nations Development Group) has decided, based on an intensive undertaking by an Inter-agency Working Team, to establish the UN Interagency Working Hub for Latin America and the Caribbean in the City of Knowledge in Panama. This decision, which was formalized in December 2006 in a communication from the Administrator of UNDP, in his capacity as the Chair of UNDG, has important implications for the organizations of the UN system as they review their presence and establishments in Latin America and the Caribbean.

43. Following discussions, the Working Group reached a consensus for ranking the candidate countries as follows:

1. Panama
2. Costa Rica

44. H.E. José Roberto Andino Salazar, Ambassador of El Salvador in his capacity as Coordinator concluded the activities of the Working Group and requested the Secretariat to take the necessary steps to implement the decisions taken.

45. In view of the above, the Secretariat fielded a mission to Panama, which confirmed that the country is in a position to meet all the legal, technical and resource commitments required for the finalization of a host country agreement.