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# FAO renewal, budget and staff



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FAO's main meeting hall.

FAO underwent a comprehensive independent external evaluation in 2005, which led to the adoption by its member countries of an Immediate Plan of Action for FAO Renewal. This five-year action plan – covering the 2009–2013 period – is aimed at creating a more nimble, effective, results-driven Organization. Renewal includes:

- modernized human resources management;
- leaner and more efficient administrative services;
- new tools and techniques to help a complex, global institution “function as one”;
- governing body reforms.

All of this is underpinned by efforts to make FAO's corporate culture more flexible, collaborative and responsive.

## Progress on renewal

Here are some highlights of progress at the half-way point in FAO's five-year renewal programme:

- The new results-based approach was made fully operational with the 2010–2011 budget and work planning cycle, including monitoring and reporting.
- A strategy for mobilizing and managing financial resources is in development, the goal being to supplement FAO's dues-based budget (the Regular Programme) with increased voluntary contributions that support strategic objectives.
- More responsibility and authority has been delegated from FAO headquarters to offices around the world, with the heads of FAO's five regional offices now supervising technical officers working in their regions.
- Field offices now have greater authority to procure goods and services for emergency operations, local procurement officers have been recruited, and hundreds of staff have been trained to support this decentralization of procurement.
- Significant savings have been achieved by procuring goods and services jointly with the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD) – some 18 common tenders have been issued to date.
- The heads of FAO's five regional offices now take part in all senior level decision-making and policy meetings, helping to ensure that decisions made at headquarters take into account the needs and views of the regions.
- Upgrades to FAO's worldwide IT network have given 56 of FAO's country offices access to the same corporate systems and tools as headquarters.
- High-definition videoconferencing in all regional and subregional offices and video conference facilities in over 50 countries are also boosting inter-office communications.
- Regional Conferences are providing better feedback on how FAO sets priorities for its technical work, and on the work of FAO offices worldwide.

## Managing for results

The new results-based approach to planning, budgeting and reporting shifts the focus from outputs (deliverables) to outcomes. The distinction is an important one. The new approach gives greater attention to the eventual impact of FAO's activities and the anticipated benefits for member countries. The FAO results-based framework can be outlined like this:

- **FAO's overall vision and three global goals** – the long-term outcomes that member countries aim to achieve: reduced levels of hunger, improved living standards, and conservation of the Earth's natural resources;
- **strategic objectives** that contribute to the global goals and define the impact, globally and within countries and regions, that members are expected to achieve in 10 years with contributions from FAO;
- **organizational results** that define the outcome expected when countries and partners use FAO's products and services to pursue each strategic objective;
- **core functions** that represent the main ways in which FAO draws on its comparative strengths to achieve results;
- **targets and indicators** for monitoring progress and inform the impact assessment through evaluation.

The results-based framework promotes greater transparency and facilitates oversight. The new way of planning, implementing and assessing work should ensure that the use of organizational resources (assessed and voluntary) are in line with agreed priorities and are effective in terms of benefits to constituents at all levels.

## Resources

From 1994 to 2010–2011, Regular Programme resources declined by 21 percent. Total resources including voluntary contributions but not those related to emergencies declined by 26 percent in real terms. The graph shows the evolution since 1994 of the total resources available to FAO in real terms, through the net Regular Programme budgetary appropriation approved by the Conference and additional extra-budgetary voluntary contributions made available by members and partners.

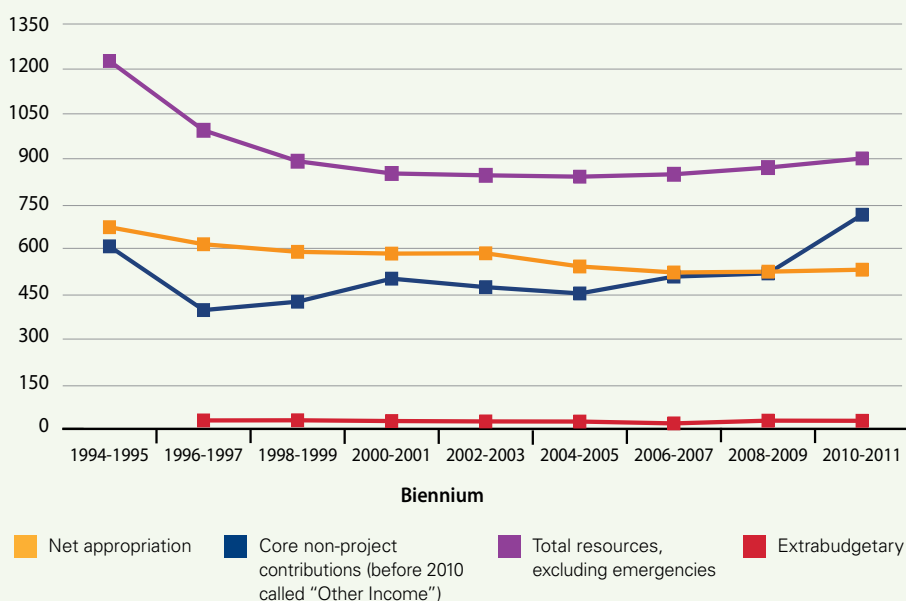
## Attention to cost efficiency

Since 1994, FAO has been consistent and vigorous in its efforts to use funds efficiently. Significant savings have come from a reduction in the number of staff. Staff have also been moved to the field, putting them closer to project operations. This lowers costs and allows for a better response to the needs of countries. The IEE noted that “the Organization and its members can be credited with recognizing the importance of attaining efficiency savings in FAO administration and technical programmes in order to maximize scarce budgetary resources for technical work.”

Recurrent costs have been reduced with annual savings estimated at almost US\$112 million compared to 1994, through measures such as:

- achieving lower costs of inputs through new partnership agreements, reduced travel and communication costs;
- streamlining administrative and operational support processes through implementation of an offshore Shared Services Centre;
- removing layers of management through selective delayering of director posts;
- progressively adjusting the human resource input mix through reducing post counts and grade averages;
- improved cost recovery of extra-budgetary services.

## Trends in FAO resources (US\$ millions)



*Regular Programme from approved Conference resolution, extra-budgetary from forecast of expenditure included in Programme of Work and Budget (2012–2013 figures).*

## Staff

The people who work at FAO are the Organization's most important resource. In 2008, the Organization adopted a human resources strategy within the framework of ongoing reform initiatives. It aims to foster an enabling work environment to help the Organization attract and motivate a top-level workforce. Human resources planning also strives to achieve gender balance (including senior women in leadership) while addressing other critical issues such as an ageing workforce and the need for new skills, knowledge and expertise.

Enhanced human resources policies include:

- a staff mobility programme to expand career opportunities and foster a dynamic workforce better equipped to deal with the new challenges facing FAO;
- flexible working arrangements including teleworking, compressed work schedules, job-sharing and phased retirement;
- a junior professional programme to facilitate succession planning and rejuvenate the existing workforce;
- an internship programme to build upon existing partnerships with universities worldwide;
- a management and leadership programme to establish a comprehensive learning path and offer professional development opportunities for managers and staff, thereby helping to ensure that the Organization possesses the capability to deliver its programmes and achieve strategic objectives.

