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Towards a New Vision for the Decentralized Offices Network

1. IPA action 3.84 requested Management to conduct a review of FAO's Country Offices (COs) network on the basis of a number of specified criteria. The objective was to ensure that, at a minimum, the structural budget deficit for the network is eliminated through alternate forms of country presence. The analysis of the criteria done by Management was discussed at four meetings of the CoC-IEE Working Groups in 2009. Despite intensive debate, consensus could not be reached on this subject. In the meantime, the CoC-IEE, and subsequently the Conference, agreed to address the structural budgetary deficit in the COs network by removing the standard reduction for post vacancies (i.e. eliminating application of the Lapse Factor for the FAO Representations (FAORs) network budget), and endorsed interim measures proposed by Management consisting of: appointing Emergency Coordinators as Officers-in-Charge of FAORs, where feasible and with the agreement of donors; placing current FAO Representatives (FAOREps) against vacant posts in the Regional and Subregional Offices; and outposting Regional and Subregional Technical Officers to serve additionally as FAOREps.
2. In this context, the CoC-IEE report, endorsed by Conference in November 2009, requested Management to prepare for discussion at the Regional Conferences a medium- to long-term vision related to the structure and functioning of the Decentralized Offices (DOs) network, taking account of the IPA actions on decentralization.
3. This paper aims to provide some elements of an approach to decentralization to make it more relevant and efficient. The paper also provides some background on past decentralization efforts to understand the context in which changes are taking place. After receiving inputs from the Regional Conferences, Management will formulate and present in 2010 proposals to the relevant Governing Bodies for review and decision.

I. A Major Push to Decentralization (1994-2005)

4. Decentralization has been a continuous process in FAO since its foundation. The Conference approved the opening of a Regional Office for Europe in 1946. Between 1946 and 1959, four Regional Offices (ROs) were established in their current locations, and Joint Divisions with the UN Regional Economic Commissions were set up in the period between 1951 and 1974. The establishment of FAORs was initiated by the Council in 1976 to replace the system of senior

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agricultural advisors which were co-funded by FAO and UNDP and who reported to the UNDP Representatives. A major effort to decentralization was made with the Director-General's Review of the Programmes, Structures and Policies of the Organization, which resulted in a package of reforms to the FAO Council in 1994. Decentralization was defined as one of the Guiding Principles and the Organization therefore aimed for "The largest possible measure of decentralization of technical activities to regional, sub-regional and country levels"¹.

Structure and Functioning of Decentralized Offices Network

5. **Regional and Subregional Offices.** The 1994 package of reforms strengthened the five ROs through the transfer of technical and policy assistance expertise and establishment of Management Support Units. They were made responsible for identifying the priority areas of action for the Organization in the region; monitoring and reporting on major regional developments and trends in agriculture; advising on the normative and technical cooperation work of the Organization in the respective regions; providing the first-line of technical support to countries and the field programme; providing the managerial and administrative support for field programme implementation; and organizing the Regional Conferences and technical meetings of a regional nature. In the initial phase of decentralization during the 1994-95 biennium, in addition to the strengthening of the five existing ROs, five Subregional Offices (SROs) were established to provide better and more responsive support to Members. At the same time the Joint Divisions with the Regional Economic Commissions were abolished.

6. **Country Offices.** The FAO COs evolved from doing predominantly liaison functions to playing a key operational and strategic role. A number of innovative means were used to provide a broader country coverage with the limited budgets available. This included multiple accreditations; national correspondents; and appointment of FAOREps/Outposted Technical Officers .

7. **Field programme operations.** Responsibility for the field programme has been progressively decentralized. Over the period 1996 to 1998, the responsibility for project operations was largely transferred to the ROs. In 2000-2001 national field project operational responsibility was further decentralized to the FAORs, with a core group of operations officers retained in the ROs, operating regional projects and projects in countries with no FAOREps. A very small coordination and monitoring function for the field programme was retained in Rome.

8. **Decentralization of policy assistance and field programme development.** In 1995, the staff dealing with policy assistance to member countries in the former Policy Analysis Division was combined with staff responsible for field programme development in the Technical Cooperation Department and this new division (TCA) was largely decentralized to the Regional and Subregional Offices. In 2004 it was also decided to give COs the lead role in field programme development.

9. **ICT Support.** In 1999, ROs were given Oracle access and all FAOREps were provided Internet access. The Country Office Information Network (COIN) was set up to provide direct access to information about COs. The new Field Accounting System (FAS) and office automation brought significant changes in communication and the overall reporting and account management at country level. Through the Internet, COs were provided access to a steadily expanding set of services such as access to basic budgetary and financial information (Data Warehouse) and field programme management information system (FPMIS).

10. **Delegation of Authorities.** The procurement ceiling of FAOREps was increased in 1997 from USD20,000 to USD25,000 and those of Subregional Representatives to USD50,000 and Regional Representatives (RRs) to USD100,000. The FAOREps were also given greater authority

¹ CL 106/2, paragraph 24.

to recruit national consultants.

II. Changes Following the Independent Evaluation of FAO's Decentralization

11. Over 2003-04, some ten years after the first major move to decentralization, an independent evaluation was commissioned by FAO Management and the Programme Committee to undertake an assessment of decentralization and to put forward recommendations². The Evaluation team suggested a number of ways to improve the work of the DOs network.

The Vision for Decentralization (2005)

12. Management response to the Evaluation was discussed at three Programme Committee meetings (92nd, 93rd and 94th Sessions) and actions proposed were endorsed. The Management response included a "Vision for Decentralization" which aimed at providing an overall context for decentralization³. The Vision envisaged that the DOs network, working with other parts of the Organization, identifying trends, sharing knowledge, building consensus and commitment and, working with countries and other partners, would use knowledge to leverage and implement solutions to the problems of hunger, poverty and sustainable development. Other key elements of the Vision were:

- **Country Offices.** In keeping with the country focus, FAO needs to have a comprehensive country-level presence. However, the type and method of funding of FAO presence would vary, for example through multiple accreditations.
- **Regional and Subregional Offices.** The first line of technical support to countries, other than from the CO, will come from the multidisciplinary technical teams located at the SROs – the number of which would be increased. The Regional Offices' role would change, focusing more on major regional issues and concerns.
- **Programme Development.** The Organization's structure, its programme of work, and its systems and procedures, should take a country-focused approach. The National Medium-Term Priority Frameworks (NMTPFs) would outline how FAO can best assist the country in meeting its priorities. The NMTPFs would also serve as the building blocks for FAO's Subregional and Regional programmes. The results of the Regional Conferences and other regional bodies, such as the regional forestry commissions and regional fisheries bodies, would also provide input to the development of regional programmes, which would subsequently be melded into the Organization's corporate Programme of Work and Budget and Medium Term Plan. The NMTPFs would also serve as input for determining the mix of technical skills at the Subregional and Regional levels.
- **Human Resources.** FAO country staff must be highly qualified and the best possible candidates would be selected as FAOREps. The briefing, training and assessment of FAOREps would be improved. The COs would draw technical expertise from all parts of the Organization. Access to expertise outside the Organization should be facilitated by the substantial increase of budgets for non-staff human resources throughout the Organization.
- **Administrative Issues.** All parts of the Organization's structure must function effectively and efficiently. There would be better financing of the decentralized structures, greater access to corporate systems, and increased delegation of authority to spend and receive resources and undertake certain personnel decisions and transactions.

² PC92/6 a) – FC108/18.

³ PC94/3 and FC 100/26.

- **Communication.** Communication and staff exchange/rotation between headquarters and the DOs and between different levels of the DOs would be improved. This would complement increased innovative use of technology such as e-mail, electronic conferencing and videoconferencing.

13. **The Members' Response.** Both the Programme and Finance Committees discussed the Management response, including the Vision for Decentralization. The Programme Committee "was satisfied with the management response and felt that the Secretariat had embraced the general thrusts and most of the evaluation's recommendations." The Finance Committee "appreciated the general thrusts and vision of the document". Both Committees pointed out the need to continue work on the specific actions related to decentralization. The Management proposals on decentralization were endorsed by the FAO Conference in 2005.

Decentralization Actions After 2005

14. Following the Independent Evaluation of FAO's Decentralization, and the Governing Bodies' endorsement of Management proposals, a number of changes were made in the structure and functioning of the DOs network to implement the Vision⁴, some of which are highlighted below.

15. **Country Offices.** New staffing models have been applied to COs, with the objective of improving the distribution of the available resources. The new models have resulted in a reduction of General Service posts and International Administrative Officer posts and the increase of national professional staff. NMTPFs have gradually been introduced and have been completed in 66 member countries. Complemented by production of similar documents at the regional level, they helped give a country focus to programming and budgeting process, as well as to resource mobilization and field programme development.

16. **Subregional Offices.** New SROs were opened in Africa, Central Asia and Central America. Another new SRO is to be opened for countries of the Gulf Cooperation Council States and Yemen, at no cost to the Organization. Multidisciplinary Teams (MDTs) were set up in two other locations, bringing to 13 the total number of SROs/MDTs. Subregional Management Teams comprising the Subregional Coordinators (SRCs), Subregional Technical Officers and FAOREps have been launched. These teams aim to help build synergies in the subregion, and promote a common approach to problems and interaction with subregional institutions working on economic integration and trade promotion. Skill mix in SROs was determined through consultation between ROs and headquarters departments. Following the recommendations of the Asian members at the 28th Regional Conference for Asia and the Pacific, no additional SROs have been established in the Asia and the Pacific Region, except the Subregional Office for the Pacific Islands which was approved by the 106th Session of the Council in May 1994.

17. **Regional Offices.** The ROs were given responsibility for leading FAO's response to the regional priorities and implementing related regional programmes and projects. The RRs lead a Regional Management Team, composed of SRCs to review programmatic and managerial challenges and prepare a Regional Priority Framework building on NMTPFs, outcomes of Regional Conferences and requests of regional organizations.

18. **Resources.** Increased resources were made available to ROs and SROs for travel and non-staff human resources. Half of the income generated from the Administrative and Operational Support (AOS) costs charged to non-emergency projects was provided to FAOREps. Special arrangements have also been made to reimburse FAOREps for their role in the delivery of emergency programmes.

⁴ See, *inter alia*, Supplement to the Director-General's Programme of Work and Budget 2006-07 (Reform proposals), C 2005/3 Sup.1, and Implementation of Conference Decisions and Proposals from the Director-General, CL131/18.

19. **Delegation of Authority.** In May 2006, several measures were introduced to empower the DOs, including for increased authority for Procurement, Letters of Agreement, Recruitment and Operational Cash Accounts. FAOREps were provided a TCP Facility of up to USD200,000 per biennium per country. Authority at the same level for regions and subregions was extended to RRs and SRCs. FAOREps to receive contributions from local donors up to the amount of USD200,000. Procurement authority was increased from USD100,000 to USD150,000 for RRs, from USD50,000 to USD75,000 for SRCs and from USD25,000 to USD50,000 for FAOREps – and larger authorizations were granted in countries with large emergency programmes. FAOREps were made responsible for the entire development project cycle of the field programme in their countries. Similarly, RRs and SRCs have responsibility and authority for regional and subregional projects in their respective areas of competence.

20. **IT Support for Decentralization.** Significant improvements and expansion of the COIN system produced major streamlining of the administrative processes related to DOs. Budgetary revisions, procurement of goods and services, requests for additional allocations, disposal of old equipment and other processes are now handled electronically through COIN, thus avoiding the need for sending forms and messages to the responsible units at headquarters.

III. Towards a New Vision on the Structure and Functioning of FAO Decentralized Offices Network

21. The Rome Declaration, adopted at the World Summit on Food Security, held in November 2009, stressed “that food security is a national responsibility and that any plans for addressing food security challenges must be nationally articulated, designed, owned and led, and built on consultation with all key stakeholders.” The Summit participants further stated that “we will intensify international support to advance effective country-led and regional strategies, to develop country-led investment plans, and to promote mutual responsibility, transparency and accountability”. In order to fulfil its mandate FAO must have an effective DOs network to ensure a strong, proactive and responsive FAO presence at country level, working closely with government and development partners. Given that agriculture is a science of ecosystems and local conditions, and that available resources are limited, the FAO network needs to be flexible and tailored to the needs of different Members. The sections below provide some elements of an approach to decentralization to make it more relevant and efficient.

22. **An Overall Vision.** FAO’s DOs network has to be further strengthened and consolidated to support Member Countries to meet agreed goals and strategic objectives with regard to sustainable food security and rural development. Their role is to deliver high quality services to Members and ensure that FAO, in pursuing its agreed Strategic Objectives and performing its core functions, addresses national priorities and needs. Based on these considerations, Management’s overall vision is to:

Have in place a DOs network that provides, efficiently and effectively, high quality policy advice and technical services to Members, to help build national capacities to achieve food security and promote agriculture and rural development, while ensuring that FAO’s global work addresses national priorities and needs. The DOs network would be staffed with experienced and skilled experts, who can draw upon the full range of technical expertise available in FAO, its Member and Partners, through networks and communities of good practice.

Structure of DOs Network

23. Some guiding principles for the structure of the DOs network are:

- **Size and composition** - COs are tailored to the programme requirement of the country, in full synergy with the government and other partners, including the UN system, donors and NGOs. Country presence would be based on a flexible approach which takes account of variations over time in the development needs and capacities of Members.
- **Support structure** – ROs/SROs give the highest priority to backstopping and supporting the activities at country level, in order to promote a country programme-driven approach. The concerned SROs, ROs and MDTs provide adequate coverage in terms of technical assistance, policy advice and capacity building, with the support and cooperation of the concerned headquarters technical departments.
- **Decision-making on structure** – Members, individually and within the context of the region or subregion they belong to, are the best judge of FAO presence and support required at country, subregional and regional level that is suited to their needs. The Regional Conference serves as the forum to discuss and agree on the type of country, subregional and regional presence needed from FAO for the region concerned.
- **Funding** – Sustainable funding, using innovative approaches, is used for an enhanced and strengthened DOs network. Management and Members work together in evaluating different funding models, including those for country-level operations. Various options are used, such as voluntary financial contributions from the country covered (including the support of national experts and young professionals, south-south cooperation), and joint offices with other programmes and agencies. In this connection, resources available from the FAO “Innovation Fund” would be used for exploring innovative approaches.

Functioning of the DOs Network

24. FAO policy advice and its support to capacity development have to be based on the best technical knowledge and experience from around the globe. A primary requirement is that the DOs network and headquarters offices closely interact to ensure that various parts of FAO are effectively linked and function as one, in line with the corporate strategy and result-based management. Essential elements for this are:

- **Access to FAO’s knowledge base** – The COs have an easy access to FAO’s global technical knowledge, and to best practices from around the world. Such information is organized and made easily accessible through communities of practice and knowledge networks.
- **Staff mobility** - There is regular rotation of staff among headquarters and the field offices to ensure that all staff are aware of field realities; international best practices and global perspective and knowledge; and how central support services operate.
- **Build on and complement national expertise** - COs mobilize available expertise at national level working with various national (governmental and non-governmental) organizations. Where necessary, this is complemented by regional and international expertise, including under south-south cooperation.

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- **Responsiveness** – The different parts of the Organization respond rapidly to evolving demands emanating through COs in a synergized and timely manner. Technical and professional staff in all parts of the DOs network receive adequate training and support .
 - **Efficient administration and financial systems** – The COs have full access to updated administrative and financial systems to ensure that they function at an optimal level.
 - **Effective Communications** – All DOs have an appropriate level of ICT facilities, including access to video/teleconference facilities and web-based systems, to communicate quickly and at low cost, with all other parts of the Organization.

Guidance Sought

25. Management has, over the last years, undertaken a number of initiatives to support and strengthen further the DOs and work is ongoing in this regard. The Regional Conferences may wish to comment and provide advice on the considerations related to decentralization presented above.