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Independent evaluation of FAO's decentralization

Aims of decentralization: increased relevance and responsiveness

This evaluation came ten years after the Director-General had introduced further decentralization as a major pillar in the comprehensive package of reforms launched in 1994. The central aim of the decentralization was to increase the Organization's relevance and ability to act in proximity to the problems of member countries. It was also seen as an opportunity to enhance the use of national capacities, to achieve economies in implementation and to improve response time.

The evaluation was externally led and conducted by a team of five independent consultants with support from the FAO Evaluation Service. Extensive country visits were carried out, during which the team met with senior staff in FAO's decentralized offices, with governments at ministerial and senior official level, with other UN system organizations and with decentralized units of the donor community, non-governmental organizations and the private sector. In undertaking its analysis, the evaluation team was aware that the decline in FAO's resources and the diminished number of large field projects had greatly changed both the resources available for the decentralization and some of the assumptions on which the decentralization was based.

Findings

Countries, donors and other UN system organizations were all found to be in favour of FAO's decentralization, emphasizing decentralization of functions and authority. However, governments, donors and other members of the UN family often said they had not seen evidence of benefits from FAO's decentralization. Developing country members of FAO wished to ensure that country- and region-specific issues were given equal weight to the global normative work of headquarters. However, the evaluation found a headquarters culture that assumed decisions could be better taken in Rome. The international development community (UN system and donors) and developing country governments felt a need for FAO to put in place genuinely decentralized decision-making.

Technical services were found to be reasonable in South and East Asia, South America and the Caribbean. Dissatisfaction with FAO's technical services was high in Africa, however, even in countries with close proximity to Regional and Subregional Offices. Satisfaction was also limited in Central Asia and, to a lesser extent, in Central America. Regional/Subregional Office country visits were concentrated on a limited number of countries. FAO country representatives and national governments had only a weak voice in determining the provision of technical services, and direct support to countries was more supply-driven than demand-driven.

FAO's ability to deliver services to Members through its decentralized structures is heavily dependent on the competency of staff. The evaluation found a significant minority of decentralized staff in all categories who did not meet the required levels of competency. Where such staff were in managerial positions, effectiveness

of subordinate staff and of FAO's delivery of services was hampered. This issue has been significant in reducing the effectiveness of the 1994–95 decentralization.

There were significant differences in the types of assistance being sought by countries, but there was a widespread demand for support from FAO in developing and implementing national policies and strategies, and for trade-related issues. At the same time, ministries of agriculture continued to look to FAO for a wide range of technical support. FAO's current response did not adequately reflect country demands, especially in the capacity to provide broad-based strategic analysis and support in particular subsectors. In addition, there was only a weak correlation between FAO's country and regional presence and the food insecurity and poverty indicators of those locations. This was especially the case in countries with large numbers of food-insecure people in the agriculture sector.

Recommendations

■ **Delegation of authority to FAO representatives.**

Lack of FAO administrative delegation, especially to FAO representatives (FAORs), was an area for which FAO was criticized heavily by countries, other organizations, FAO technical officers and the FAORs themselves. The Organization was judged to be slow and bureaucratic in its managerial, administrative and financial decision-making. If FAO is going to respond adequately to Members' needs, its decentralization must move more in the direction of the UN funds and programmes against which it is judged by governments and donors. In order to enhance the ability of Country Offices to enter into meaningful partnerships at the country level, greater authority over project selection and for acceptance of funds from donors must be delegated to FAORs. Representatives also need to be given greater authority over allocation and management of funds and projects under the FAO Technical Cooperation Programme (TCP) at the country level.

An efficient control environment is essential to support this greater delegation, based on a better understanding of the nature of risk and the implications of control measures for impact and cost-efficiency. While retaining segregation of functions, the balance in control measures needs to become more *ex post* than *ex ante*, based on risk analysis and holding individuals clearly accountable. Levels of authority for Country Offices should be assessed and differentiated in terms of staff levels, infrastructure capacity and needs of the country. Following assessment, there should be significant transfers of authority.

■ **National priority frameworks.** In order to clarify FAO priorities in each country, national priority frameworks should be developed under the responsibility of the FAO country representative working with the government concerned, and with the support of staff from the Regional Office.

■ **Country office presence.** Country coverage was found to be insufficient to match needs and available

resources, and this was limiting FAO's effectiveness.

The number and length of vacancies in FAOR posts was one of the most evident and damaging aspects of the budget shortfall. Adjustment in the coverage of FAO Representations is needed to ensure that appropriate attention is given to poor countries where agriculture is of major importance and where there are large numbers of undernourished people, as well as to countries in considerable need of assistance but which currently have little or no coverage, in particular the East European and Central Asian states. Countries with small numbers of undernourished, where agriculture plays a less dominant role, do not require the same level of FAO presence, and so a more appropriate means of coverage, such as multiple accreditation, is desirable.

■ **Countries affected by emergencies.** In countries with significant emergency assistance, there were sometimes conflicts of authority between FAORs and FAO emergency coordinators, as well as divergences between emergency rehabilitation strategies and development programmes. For situations of major complex emergencies, FAO should develop a cadre of senior emergency coordinators/FAORs, who are immediately moved in to replace the FAO Representative when the emergency situation begins. In other emergency situations, distribution of responsibilities should be handled on a case-by-case basis.

■ **Technical groups and subregional hubs.** An important factor in the extent to which countries receive technical services is the geographical placement of the Regional or Subregional Office in terms of centrality and, more important, the best available airline connections. Geographically specialized technical groups should be established on airline hubs through a redefinition of existing regional posts. Also, substantially more funds need to be available for travel. In this context, there should be **greater use of national and regional experts**, use of whom is still limited under the present arrangements.

■ **Regional representatives** need to become the focus of the Organization's work in their regions, with regional work defined in FAO's Medium-Term Plan. The country priority frameworks should provide the underpinning of the regional strategy. Regional representatives need to travel widely in the region, listen to the member countries of the region, follow-up at a high level on the development processes initiated by the Director-General and support FAO country representatives on critical issues. Regional representatives should become the first line of reporting for country representatives and regional technical officers. In order to increase the responsiveness of regional technical staff to the countries of the region, their posts should be transferred to Regional Offices from their current headquarters technical divisions.

■ **Regional normative work.** This was found to be essential in all regions on common problems for groups of countries and was of particular interest to medium-income countries. Strong links were essential between global normative work and the specific requirements of groups of countries and regions, which should receive greater priority. In Africa, with a reduction of the staff in the FAO Regional and Subregional Offices, two technical groups should be established to serve, respectively, anglophone Central and East Africa, and francophone West Africa. In South Asia, a group of experts on call-down contracts should be created. Technical groups were also proposed for Central America and the Spanish- and French-speaking Caribbean and for the East European and Central Asian states.

■ **Staff competencies.** There is a major need to raise competencies, including the introduction of an open and competitive selection process for FAORs and senior regional staff, as well as strengthened staff appraisal, rotation and training. The gender balance in the decentralized offices should also be improved. FAO will need the ability to adjust staffing profiles and competencies periodically to achieve greater flexibility in its decentralized response.

■ **Strengthening and deepening organizational unity and coherence.** If these institutional changes are to achieve their objectives of greater unity, greater relevance and greater impact, the rebalancing of the internal responsibilities requires the allocation of a considerable amount of time and attention at the top of the Organization to the issues of regions and countries. Without this, even with modern communications and fuller participation of regional representatives in senior management meetings, the representatives would remain in a weak position *vis-à-vis* department heads at headquarters, and there would be a danger of the regional representatives receiving inadequate supervision and direction. It is difficult for a Director-General who is responsible for the totality of FAO's work to handle these issues on a day-to-day basis, but it is essential that they receive continuing attention at a very high level within the Organization. The evaluation therefore proposed that, without diluting the direct reporting lines between the regional representatives and the Director-General, the Deputy Director-General should be given authority to handle more detailed regional and country questions.

Management response to the evaluation

Management responded extensively and positively to the evaluation, stating that it fully embraces the recommendations. On request of the Programme Committee, the final response includes both a vision statement and a detailed and time-bound implementation plan, recommendation by recommendation. The vision presents the general direction of management's actions in response to the recommendations, making them a key element of the FAO reform proposal put forward by the Director-General in September 2005, and stating that the Organization is aggressively moving to implement the evaluation's recommendations.

In the detailed list of actions, management supported the great majority of the evaluation recommendations. A different approach was adopted in some areas, however. Devolution of authority to regional representatives as the first line of reporting for country representatives and for decentralized technical officers was not accepted. It was considered that this approach had led to a lack of unity prior to 1994. Under the Director-General's reform proposals, the level of the office responsible for the decentralized offices would be raised to the level of a department. A more flexible budget-based approach was also proposed for coverage of Country Offices.

The Programme and Finance Committees were satisfied with the management response and felt that it embraced the general thrusts and most of the evaluation's recommendations. The Committees emphasized their support of the evaluation recommendations and underlined in particular the importance of:

- the main purpose of decentralization, which is to improve FAO's performance at country level, especially to assist countries in achieving their Millennium Development Goal (MDG) targets;
- sound national priority frameworks for FAO activities;
- transparent competency-based selection, skills development and assessment of staff;
- increased delegation of authority accompanied by strict personal accountability;
- increased staff travel within regions to fulfil their duties, and increased contact with headquarters;
- sound management, with a move from a risk-averse culture to *ex post* rather than *ex ante* control measures.

The Programme Committee particularly welcomed the progressive introduction of National Medium-Term Priority Frameworks (NMTPFs) and underlined their importance as a critical instrument for prioritizing FAO's work, for aligning it with national priorities and for harmonizing it with the approaches of other development partners as, *inter alia*, contained in the United Nations Development Assistance Frameworks (UNDAFs) and Poverty Reduction Strategies (PRSs) as well as the MDGs. The Committee felt that NMTPFs should be formulated quickly with minimum transaction costs and without duplicating existing planning documents.

However, the Programme Committee found that there was a need for further clarifications on the following issues when considering the reform proposals:

- the ratio of staff to non-staff resources;
- the delineation of roles, responsibilities and reporting lines between headquarters and the other layers of the decentralized structure, as well as between decentralized offices;
- the role and responsibilities of the Regional Offices and regional representatives;
- the risk of spreading resources too thinly, with the proposed increase in the number of Subregional Offices and the possible increase in FAO country representatives;
- the rationale for reconfiguring FAO subregions in accordance with the geographic regions of Regional Economic Integration Organizations;
- the feasibility of the proposed contribution of FAORs (30 percent of their time) to the multidisciplinary teams in Subregional Offices;
- the proposal to have regional representatives report to a new coordinating department head at headquarters, as opposed to the evaluation recommendation that they interact more regularly and directly with their headquarters counterparts.

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Independent evaluation of FAO's decentralization.

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