

**Chair's Aide Mémoire - Fourth Meeting of the Conference Committee
for IEE Follow-up (CoC-IEE)
Thursday 15 May 2008**

Mohammad Saeid Noori-Naeini Chair

Chair's Progress Report (see Annex 1)

1) Members were generally satisfied with the Chair's Progress Report which, it was noted, was not a report of the CoC-IEE or its working groups. Members would have the opportunity to consider all the conclusions when discussing the draft section of the Immediate Plan of Action in the Working Groups and when considering the Report of the CoC-IEE, including the draft Immediate Plan of Action for presentation to the special session of the Conference. Members commented extensively on the report and comments are summarised in Annex 2. Among the major points made were:

- a) **The Goals of Member Nations** (para. 15 of Progress Report) remained valid in principle but many Members considered that their wording would need to be further discussed, especially in the light of the changing realities, including those of rising food prices and climate change and the need to reflect a priority on the inter-relationship between overcoming hunger and poverty and livelihoods;
- b) **Priority themes:** Some Members suggested that the name Priority Theme was misleading for what were, as agreed, "flagships". The Organization's priorities would be reflected in the Strategic Objectives and these needed stable funding, assured under the Regular Programme;
- c) **Comparative advantage:** It was noted that the term comparative advantage was not always well understood as it derived from economics and was not strictly speaking applicable to organizations. Many Members considered that the report did not clearly convey the need for FAO to concentrate its work in areas where it holds a comparative advantage (strength), while many other Members considered that although comparative strengths should not be ignored, the Organization's mandate should be highlighted and that priorities should derive first and foremost from the needs of Member countries; and
- d) **Root and Branch Review and Culture Change in the Secretariat:** Members noted their satisfaction that work on both the Root and Branch Review and Culture Change in the Secretariat had now been initiated.

Report of the CoC-IEE to the Special Session of the Conference – including the Immediate Plan of Action (see Annex 3)

2) The proposed format for the report of the CoC-IEE to the Special Session of the Conference – including the Immediate Plan of Action (IPA) was agreed and has been adjusted to regroup items under the main areas specified in Conference Resolution 5/2007. Members emphasised that the IPA should not be excessively discursive. It was agreed that the Secretariat, working closely with management (which was responsible for drafts of several major sections), would prepare a first draft of the IPA by the end of June which will be considered first in the Working Groups. This draft will include gaps and in some cases may include alternatives for areas where no consensus has been reached.

Roadmap for Completion of the CoC-IEE's Work

3) It was noted that the schedule envisaged for completion of the work in the CoC-IEE Road Map was no longer valid, partly due to the High-Level Conference on “World Food Security: the Challenges of Climate Change and Bioenergy”. A revised roadmap would be considered by the Working Group Chairs and the Bureau and then reissued. Members welcomed management’s assurance in line with requests to advance work in two major outstanding areas:

- a) the elements of the Strategic Framework and Medium-Term plan, including strategic objectives and the results framework; and
- b) organizational structure.

Annex 1 Chair's Progress Report to the Conference Committee for IEE Follow-up (CoC-IEE) May 2008

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Chair's Foreword – the Challenge Before Us

We, the membership of FAO undertook the Independent External Evaluation of FAO (IEE) with the common goal of achieving a better FAO in the service of all its Members. We have driven forward holding this goal continuously in mind and maintaining a momentum, which is in many ways remarkable. We did however, set our sights very high and are committed to having the main elements of an action plan for “FAO Renewal” before the Special Session of the Conference, beginning on the 17 November 2008. This means we must complete our work in September.

This can only be achieved if we redouble our efforts as Members and request management to join-hands with us, moving forward in joint endeavour. This at a time when great challenges face the world in food and agriculture. FAO must play its pivotal role in addressing the current food crisis and the immediate actions required to address hunger; in response to climate change and the many other threats and opportunities for rural people and for food and agriculture. Early action requires FAO but enduring and effective action in future needs a stronger FAO. We must vigorously pursue IEE follow-up while also dealing with the immediate, if the continuing challenge is to be met.

My thanks to all of you for the effort so far in actively participating in the Working Groups, under the very capable leadership of your Chairs and vice-chairs and with the assistance of the Bureau and secretariat.

We are now moving from understanding the IEE and completing our own analysis to decision making. The CoC-IEE needs to begin to make rigorous decisions. For this we need a continued willingness for constructive dialogue and a will to move forward. The 2009 Conference will make the final decisions on the Strategic Framework, Medium-Term Plan and Programme of Work and Budget, but the upcoming special session of the Conference will decide the Immediate Action Plan. A major input to this is required from Management and from all of us.

Introduction

1) At its Hundred and Twenty-seventh Session in November 2004, the Council agreed to launch an Independent External Evaluation of FAO (IEE). Following a preparatory process by FAO members in an inter-sessional working group, the FAO Conference in 2005 fully endorsed the decisions of the Council to initiate the IEE as soon as possible. The IEE presented its report which was considered in a Friends of the Chair Process, in preparation for the November 2007 Council and Conference. The Conference “*unanimously welcomed the Report of the Independent External Evaluation (IEE) of FAO. It shared the assessment of the Council that the evaluation was the most comprehensive, wide-ranging and forward-looking evaluation conducted of a UN organization. It agreed that the IEE had fully met its terms of reference. The evaluation had followed a sound methodology, which was consultative of the views of the main stakeholders. The Conference welcomed the Management Response “In Principle”. In particular, it appreciated management’s statement to the Conference of support for IEE implementation of “reform with growth” and management’s determination to immediately initiate reforms and improvements, in line with the recommendations of the IEE which lay within the effective authority of the Director-General and which did not have incremental cost implications*” (for the Regular Programme Budget).

2) The conference further unanimously approved Resolution 5/2007 Follow-up to the Independent External Evaluation of FAO (see Annex II) which established and provided the mandate for the CoC-IEE, stating “*The functions of the Committee, without prejudice to the statutory functions of the standing committees of the Council, are to:*

- a) recommend to the Conference proposals for the Immediate Plan of Action ; and*
- b) 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.*

3) *In order to maintain the necessary momentum in reaching agreement on an Immediate Plan of Action for FAO reform with growth, to **request** the Conference Committee to initiate its work in December 2007 and develop its working arrangements, indicative schedule of work and timetable of deliverables before the end of January 2008. Considering that the special session of the FAO Conference should be held no later than November 2008, the Conference **requests** the Committee to provide a progress report by 1 May 2008 and its final report before the end of September 2008, and give early attention to:*

- a) a detailed review of the IEE report, including each of the IEE recommendations, in order to develop preliminary conclusions to guide the further work of the Committee;
- b) development of information requirements for decision making, including requirements from the Secretariat to assist the Governing Bodies in arriving at conclusions on each of the areas referred ... below;
- c) providing guidance for: drafting any agreed governance reforms requiring consideration by the Committee on Constitutional and Legal Matters (CCLM); such in-depth studies as may be required; and any immediate proposed adjustments in such areas as the programme of work and budget during 2009, administration, human resources and organizational structure; and
- d) agreement on draft major elements of a strategic framework and medium-term plan; development of suggestions for further follow-up to be undertaken during 2009 and beyond; and any special arrangements of the Governing Bodies required for further development and implementation of a programme of FAO renewal.”

4) In defining the Immediate Action Plan the Resolution stated, “*The Plan of Action will address:*

- a) *an FAO vision and programme priorities:*
 - i) *priorities and programme adjustments for the period 2009-2011; and*
 - ii) *a draft covering the major elements of a long-term Strategic Framework and a draft Medium-Term Plan;*
- b) *governance reform;*
- c) *reform of systems, culture change and organizational restructuring:*
 - i) *institutional culture change and reform of administrative and management (a) systems; and*
 - ii) *restructuring for effectiveness and efficiency.”*

Overall Progress to Date

5) In conformity with the resolution, the CoC-IEE held its first meeting on Friday 14 December 2007. Three working groups were established (see Annex III):

- a) CoC-IEE Working Group I – FAO Vision, Programme and Priorities;
- b) CoC-IEE Working Group II – Governance Reform
- c) CoC-IEE Working Group III – Reform of FAO Systems, Organization and Culture.

6) The Director-General also appointed his overall representative to the CoC-IEE and his representative to each Working Group (Annex IV).

7) The Working Groups held their initial meetings in January and established time-tables of deliverables which were approved *inter alia* by the CoC-IEE on 23 January as part of its consideration of the initial reports of the Working Groups. These work-plans have been largely held to and an overall indicative rolling road map for the remainder of the CoC-IEE process has now been prepared and is attached as Annex V.

8) Management also developed a road map for Early Implementation on deliverables lying within the authority of the Director-General. Progress on this is being reviewed periodically in Working Group III.

9) In line with the Resolution, the Working Groups have held their first meetings in January 2008. They have largely completed their initial review of the CoC-IEE recommendations and

their initial conclusions are provided in subsequent sections of this report, **it being clearly understood by all that no conclusions of the CoC-IEE are final until their consideration the full Committee.**

10) The results of the deliberations of the Working Groups are available through a dedicated website found on the FAO home page (www.fao.org/iee-follow-up-committee/home-iee.html).

The Next Steps

11) The indicative Road Map (Annex V), specifies the schedule for the remainder of the work. Significant areas remaining for further in-depth review include:

- a) Strategic Objectives;
- b) The indicative Medium-Term Plan framework of planned results;
- c) Headquarters and decentralized organizational structures;
- d) The evaluation function;
- e) Human Resource Policy;
- f) Secretariat Culture Change; and
- g) The functions and Membership of the Council and the Programme and Finance Committees.

12) Management will have the major responsibility for developing proposals in a significant number of areas for consideration by the CoC-IEE through its Working Groups. These include:

- a) indicative strategic objectives, programme results framework, global governance priorities and indicative resource requirements, including priority themes (elements of the Strategic Framework and Medium-term Plan);
- b) organizational restructuring (decentralized and headquarters);
- c) resource mobilization strategy;
- d) partnerships;
- e) culture change within the secretariat; and
- f) human resource policy.

13) The management is also carrying forward the Root and Branch Review of all aspects of administrative servicing, contracting purchasing, financial management and systems, human resources, and Information Technology and Communication systems and at a later stage a corporate risk assessment.

14) A priority task will be to develop in close consultation with Management the actions and time frame for implementation on all recommendations of the CoC-IEE. This will form part of the Immediate Action Plan proposed to the special Session of the Conference.

Progress in Developing Conclusions

Elements of the Strategic Framework and Medium-Term Plan

15) **Goals of Member Nations:** Members considered that the three Goals of Member Nations set in the 1999 Strategic Framework remain valid. They had stood the test of time, were carefully negotiated and balanced. The Goals formed the apex of the hierarchy of FAO objectives contributing to a means-end relationship. They will be further reviewed but most

Members considered significant changes were not required. The context for the Goals will be provided in the Strategic Framework but no specific preamble was considered necessary. The three Goals as stated in the 1999 Strategic Framework are:

- a) Access of all people at all times to sufficient nutritionally adequate and safe food, ensuring that the number of chronically undernourished people is reduced by half by no later than 2015;
- b) The continued contribution of sustainable agriculture and rural development, including fisheries and forestry, to economic and social progress and the well-being of all; and
- c) The conservation, improvement and sustainable utilization of natural resources, including land, water, forest, fisheries and genetic resources for food and agriculture.

16) **Strategic Objectives:** The Strategic Objectives form the next layer in the hierarchy of Objectives below the Goals of Member Nations and form part of the Strategic Framework. They will reflect Members' priorities for the longer-term, provide a direction and indicate the main areas for impact with a time horizon of 10-15 years (currently, for example to 2020). They will clearly contribute with a direct causal relationship to the achievement of one or more of the three Goals of Member Nations. Most members of Working Group I thus, considered that the Strategic Objectives should be specified for the sectors of Crops, Livestock, Fisheries and Forestry and for distinct multi-sectoral areas (such as: Food and Nutrition, including food safety; cross-cutting areas of Natural Resource Management; and Livelihoods, including the restoration of livelihoods following emergencies). The majority considered that most of these could be better considered as means-to-ends within the sectors. This would also make the whole understanding of the strategic objectives simpler and facilitate responsibility and accountability. Members of Working Group I, further:

- a) Came to broad agreement on a time-frame for review and revision within the hierarchy, with the Strategic Objectives fixed every 10-15 years as part of the Strategic Framework but reviewed at regular intervals in the context of the Medium-Term Plan (results would have a four year time horizon but be reviewed every two years as part of the Medium-Term Plan);
- b) Reiterated that the number of Strategic Objectives should be limited in number;
- c) Agreed that "results" must be targeted, time bound and measurable, but expressed diverse views on the extent to which targets could be set or progress systematically assessed at the strategic objective level, given that FAO was making a rather small contribution to the achievement of national, regional and global objectives. Some members considered that FAO's contribution to progress on each Strategic Objective should be evaluated, but others considered that this would not be a productive use of scarce resources.

17) The Working Group requested management to now propose for its discussion an indicative but comprehensive possible set of strategic objectives within a means-ends hierarchy, taking into full consideration the guidance provided by the Working Group to date. The Working Group's proposals for Strategic Objectives are expected to be finalised in May

18) **Results** have been defined as the results that FAO commit to, and will be held responsible for achieving, in the Medium Term (four years), based on its comparative advantages, in order to contribute to the achievement of Strategic Objectives. These Results will often, though not always, be achieved by one organizational unit. They represent the first-order level means-ends the causal chain beyond what FAO produces, i.e. requiring up-take and use by

immediate user groups, and are stated in terms of what it is expected to be the result of the application of FAO products and services by this first level of users. In order to be able to measure and report on the achievement of organizational results, indicators, means of verification, baselines and targets are formulated related to a given timeframe.

Results form part of the Medium-Term Plan and an indication of results are expected to be developed by management as part of its proposals for the elements of the Medium-Term Plan.

19) **Priority Themes** The priority themes will provide a focus within the strategic objectives, contributing to the Strategic Objectives. They will thus bring together groups of results to impact in a shorter time-frame in high priority areas for the near future, leaving flexibility for decision making and prioritization to reflect emerging challenges, and:

- a) Act as “Flagships” providing a communication and advocacy tool on high profile work, enabling the Organization to better attract extra-budgetary funding and partnerships to complement the Regular Programme resources;
- b) Facilitate less rigidly tied and pooled funding of extra-budgetary resources, as well as facilitating Governing Body oversight of the use of those resources in line with agreed priorities;
- c) Often be on cross-cutting topics but this would not exclusively be the case, for example the topic of livelihoods is cross-cutting but the code of conduct for responsible fisheries concerns a specific sector;
- d) Be limited in number in order to achieve their objective as a tool for focusing, mobilising and communicating the use of resources, though the guidance from the IEE recommendation of six Themes may be too restrictive and some extra-budgetary resources would also be mobilised for other purposes; and
- e) Be of limited duration in line with Medium-Term Plan, but could be renewed or modified and would have clear targets and indicators.

20) Priority themes form part of the Medium-Term Plan and an indication of results are expected to be developed by management as part of its proposals for the elements of the Medium-Term Plan, with completion of discussion of priority themes by Working Group I planned for May.

Consideration of Strategies and Programmes

21) **Overall priorities:** Working Group I will develop its specific advice to the CoC-IEE on priorities in its discussion of Strategic Objectives and Priority Themes. In discussion to-date priority was reaffirmed in the crops, fisheries, forestry and livestock sectors and of food and nutrition policy. High priority was given to policy support and capacity building including for technology application to increase production. Livestock will require specific attention to reflect its relative importance as a sector. Emphasis was also given to Basic data and statistics; Environment and natural resource management; and Emergencies and rehabilitation. It was noted that Knowledge management, Gender mainstreaming and Women’s empowerment, are integral to FAO’s overall programme.

22) **Consideration of Strategies:** The Working Group is considering strategy notes in the following areas in order to provide advice to management in developing for its further consideration priority proposals and the elements of the Strategic Objectives and the Medium-term Plan. Summaries of the views expressed have been recorded in the Chairs’ aide

mémoires and this review is expected to be completed on 8 May:

- a) Advocacy and communication (completed)
- b) Capacity building (completed)
- c) Knowledge management (completed)
- d) Emergencies and rehabilitation (completed)
- e) Investment Support (completed)
- f) Fisheries (completed)
- g) Forestry (completed)
- h) Livestock (completed)
- to be completed
- i) Crops
- j) Assistance to policy & strategy & Economic, social and food and nutrition policy
- k) Gender mainstreaming and women's empowerment
- l) Basic data and statistics
- m) Environment, Climate Change & natural resources management
- n) Partnerships

23) Overall review and comments were also made to assist management in developing the elements of the Medium-term plan proposals with respect to: Institutional support to agricultural development, including higher education and research; Agri-business; Land and soils; Water and Irrigation; Crop production and IPM; Legal Services; and Joint work with IAEA.

24) Specific issues outstanding include the future of the International Rice Commission and future Joint work with IAEA. Partnership and clarity in specification of objectives to be achieved in terms of benefits to members, have been particular areas of emphasis in the discussion.

Programme and Budget Structure and Process for Consideration by the Governing Bodies

25) Near final conclusions have been reached with Management in the Working Groups on the revised Programme and Budget cycle and the Programme Model. Detail of this will now be summarised in one draft text for inclusion in the Immediate Plan of Action.

Resource Mobilization

26) Members generally agreed with the IEE proposals for resource mobilization. Regular Programme and extra-budgetary resources should be integrated and support agreed priorities. The agreed National Medium-term Priority Frameworks, specific regional priorities and the Priority Themes must provide an integrated basis for resource mobilization, with overall central coordination but decentralization of authority, especially for resource mobilization at country level.

27) In Priority Themes, extra-budgetary funding should support Regular Programme resources devoted to priority themes, not the other way around, with clear advantages to pooled rather than project funding. Priority Themes will serve to mobilise resources, joining the Regular Programme budget with attraction of extra-budgetary resources, and facilitate more open ended and pooled extra-budgetary resources and Governing Body oversight. Themes should

unite normative and technical strengths for support to Member Countries, integrating all funding sources. Development should be through close interaction between the Secretariat and Membership taking into account the views of relevant donors. Also:

- a) Integration of resources would contribute to increased transparency and accountability;
- b) There should be Governing Body oversight of, and transparency in, acceptance of extra-budgetary resources, with some flexibility necessary in areas such as emergencies;
- c) Integration of extra-budgetary resources is crucial to address priority themes and the National Medium-term Priority Frameworks; and
- d) Pool funding is desirable but will have to develop gradually through confidence building and establishment of governance mechanisms.

28) Regarding an FAO Foundation, many Members supported the proposal in principle though noted reservations about possible costs. However, establishing such a foundation was not considered to be an immediate priority and merited further consideration, building in part on TeleFood experience.

29) There was consensus that parties should increasingly directly fund conventions, agreements, treaties and similar instruments as is the practice in other international agencies and which also encourages greater responsibility and self-governance by the parties. This change would be gradual and some support from the FAO Regular programme should continue.

Arrears and Late Payments

30) Members did not agree that appointments of staff or access to TCP should be conditional upon a country's contribution status. Working Group III looked forward to the further discussion of the issue in the Finance Committee, and most Members agreed:

- a) On prominent display of the status of Member Country payments on the FAO website;
- b) On more rigorous application of existing provisions with regard to voting rights and Council membership for Members in arrears;
- c) That charging interest on borrowings brought about by arrears to the Organization's interest income would not be desirable as this was being used to build up the funds to cover after service liabilities;
- d) That charging interest on late payments could be further explored;
- e) On the need to ensure that unrecoverable debt was not carried forward indefinitely on the balance sheet;
- f) Positive incentives for payment should be further explored and this could include:
 - i) Payment schedules to smooth income and reduce borrowing;
 - ii) Permitting payment in local currencies;
 - iii) Reviewing arrears for bad debts.

Organizational Change

31) Members agreed that form should follow function and that functions were now becoming clearer enabling discussion to move forward. Many members also emphasised that while overall organizational structure and the principles underlying it should be determined by the Governing Bodies, the more detailed organizational arrangements, such as configuration of Headquarters Divisions and distribution of Country Offices were a management

responsibility, subject to Governing Body comment but not requiring Governing Body approval.

32) **Decentralized Structure of FAO:** Members expressed general agreement with the IEE recommendations, which built on the recommendations of the previous evaluation of FAO's decentralization and stressed the need for greater decentralization of authority. The Working Group emphasised the importance of FAO having a strong decentralized presence to provide services flexibly to Members and create an effective flow of information as a knowledge organization. This presence should be specifically tailored to the needs of individual countries and regions. However, Members stressed that in practice decentralisation should not proceed further without accompanying budgetary resources and should not impair headquarters' capacity. Effective decentralisation depended upon properly resourced offices and the structural deficit could not be allowed to continue. All Members considered that the present situation of an inadequate budget to ensure the continuous staffing of Country offices was unsustainable. Some members considered that steadily improving communications were making it less necessary to have a full FAOR office in all countries and the possibilities for multiple accreditation were increasing. Some members were also of the view that in addition to technical criteria that could determine the need for an office, regional and political dimensions would also need to be taken into consideration. Members thus welcomed Management's intention to undertake a comprehensive review of the offices and looked forward to discussing the results of that review which should be incorporated in the Immediate Plan of Action.

33) Members welcomed Management's decision to transfer the primary reporting line for technical officers in the regional offices to the Regional Representatives (ADGs). Management agreed that this change has implications for the programme model and budget allocation, as the technical departments would cease to have the primary responsibility for the budgets. This budget allocation would better permit the regional offices to carry out their expanded planning and implementation responsibilities.

34) It was noted that management had stated its agreement with most of the IEE recommendations and had described the progress made since 2005 in a number of areas. Members thus emphasised full application of the principle of subsidiarity and effective delegation of authority to the regional, sub-regional and country levels, and:

- a) Stressed the importance of fully integrating the decentralised offices into FAO's decision making processes;
- b) Welcomed Management's agreement to further explore shared representations with other Rome-based agencies, within the UN Resident Coordinator system and with IICA or other regional organizations, as appropriate, and emphasised the potential for fully joint representation, noting that this was a measure which could improve effectiveness and was not only a question of cost;
- c) Emphasised maximum use of national expertise. In this regard Management indicated that country offices are exclusively staffed with host country nationals, with the exception of the FAO country representative (FAOR), to reduce costs and capitalise on national expertise and knowledge. It was also noted that many countries are providing support for the FAO Representations, including office premises and staff;
- d) For sub-regional offices, noted that these were intended to function as technical hubs of professional expertise rather than as a layer of management. Members from Latin America and the Caribbean did not favour closure of country offices and their

replacement with additional sub-regional offices. In Asia, Members' judgement was that rather than additional sub-regional offices in the region, the functioning of the existing regional office should be strengthened. Near East regional representatives noted that the Regional Office should be strengthened and its coverage clarified; and

- e) Stressed the importance of the Regional Offices providing an effective secretariat for regional conferences, consulting closely with the Members and following-up on the outcomes of the conferences.

35) Members supported FAO country representatives (FAORs) having their primary line of reporting at ADG level and that this should probably be to the Regional Representatives. Members noted that FAORs had matrix lines of reporting for different aspects of their work to the Technical Cooperation Department, Technical Departments, etc. but that this should not be confused with their primary report (the senior staff member to whom they were operationally responsible) Management's response expressed reservations on this opining that they should continue to report to the Director-General through a coordination unit.

36) Members emphasised that, FAOR appointments and appraisal should be professional, transparent and follow the same pattern as for other staff. FAORs were the vital point of interaction between countries and the Organization. Recruitment selection criteria should be clear and the process fully transparent. It was essential for FAO Representatives to have a good knowledge of the Organization and the issues of the country in which they served. There must be a results based assessment system for FAORs and benchmarks for the overall assessment of decentralized office performance. It was agreed that there needed to be coordination to ensure that FAORs and country office staff were appointed, appraised and transferred applying the same criteria but several Members noted that this was in fact the case for all staff of FAO and was not unique to FAORs. (Management clarified that in its view responsibility for appointment and transfer of the FAORs should rest with the Director-General.

37) Headquarters Organizational Structure: In preliminary discussion, most members agreed with the underlying principles proposed by the IEE for the strengthening of FAO's organizational structure including:

- a) A manageable span of control of the number of reports to managers at all levels including the Director-General;
- b) Consolidation of units at all levels to reduce fragmentation and costs of senior posts, reducing FAO's tendency to work in silos;
- c) Budget allocations for senior management to facilitate cross-unit and cross-departmental work;
- d) Better integration of headquarters and decentralised offices with representation of the latter in senior management decision making processes;
- e) Flexibility in unit structure depending upon functions and size;
- f) Delaying, with reduction of senior posts including D1 and D2 levels, with the introduction of dual grading of posts including D1/D2 and P5/D1 (management noted that some measures for progressive delaying were already in effect with the elimination of some D1 level posts and that it was possible to introduce dual grading of posts which had been done in some other UN organizations);
- g) Promotion of management by results with clear frameworks for action and delegation and accountability for management within the frameworks and policy guidelines

(management clarified that delegation of authority could proceed even if all Departments did not have a divisional structure);

- h) Achievement of cost savings;
- i) General agreement on establishment of a consolidated Office of Strategy, Resources and Planning to integrate overall strategy development, programme planning and resource mobilization;
- j) Consolidation of IT functions into one division for greater efficiency and responsiveness. Members agreed with Management's view that deployment of an IT officer to each Department would not be an efficient use of resources as long as the consolidated services respond to departmental IT needs
- k) Greater priority and focus on livestock. There should not be a separate livestock department but adequate work on the sector between the concerned divisions and departments must be assured;
- l) Several groups of Members supported the proposal of two additional Deputy Directors-General (DDGs) to free the Director-General to concentrate on policy and strategy issues, and communication of policy messages. It would ensure better integration of work and fuller representation of the decentralised offices. Decrease in number of ADGs would offset the cost implications. Other groups of Members supported an additional DDG to undertake mainstreaming of cross-cutting issues and coordination of the technical Departments. They considered that an ADG could undertake the headquarters liaison and coordination for the decentralized offices, while heading the Technical Cooperation Department providing field development support services. This would also avoid a Headquarters based coordinator outranking the regional ADGs who should be empowered (some others considered that the present DDG position could better act as their champion). Some Members further expressed concerns about an additional layer, additional cost and creation of two major silos with two additional Deputies. All agreed that if there are additional Deputy Directors-General, selection criteria should first be competence and due consideration of geographical balance should also be reflected in the appointments;
- m) There was a large measure of agreement that the Deputy Director-General should be the Chief Operating Officer overseeing and coordinating day-to-day work; and
- n) The Members who spoke strongly supported the concept of much greater mainstreaming of cross-cutting issues and relatively small coordination units with funds to catalyse this. They thus supported the IEE concept of four main technical departments and not having a separate department dealing with natural resources and climate change. They similarly did not support the concept of a separate division for knowledge management or capacity building. They emphasised that FAO's strength lay in drawing all technical disciplines together and mobilizing all units and that this was not facilitated by having separate divisions or departments building up their own separate capacities. Similarly separate units could not so effectively relate issues to agriculture and the rural people which were FAO's mandate. The management opined that the IEE proposals seemed inconsistent with the effective extent of mainstreaming of cross-cutting issues within FAO and their likely priority to FAO, with some cross-cutting issues assigned small coordination units reporting to the DDGs (e.g. capacity building and knowledge management and environment) and other areas were to be handled by divisions within the technical departments performing this function together with other programmes (e.g. climate and gender).

38) Continued discussion is scheduled in Working Group III.

Partnerships

39) There was general support for the IEE recommendations on partnerships from Working Groups I and III. Partnership was not an end in itself but must become an increasing modality for FAO. Members stressed :

- a) the importance of collaboration amongst the Rome based agencies, noting collaboration with IFAD in several technical areas but stressing that more progress should be made on shared services with WFP and IFAD. It was agreed that the Governing Bodies of all three organizations needed to be more active in securing greater progress in partnering for technical programmes, services and areas such as advocacy and country representation;
- b) the importance of partnerships at regional and country levels, emphasising collaboration with the UN family and regional organizations at country level; and
- c) Welcomed partnerships with the private sector with some Members stressing careful selection to safeguard FAO's reputation for impartiality and others taking the view that FAO was excessively risk averse.

Culture Change in the Secretariat, including Approach to Risk

40) Members generally agreed with the proposals presented by Management on the basis of a consulting firm's report for an approach to culture change. The importance of ensuring visibility and the crucial role of communication were stressed by many Members. In particular, it was noted that communication between Management and FAO staff on the Reform process needed to improve. Several Members stressed face to face communication in addition to the improved web-based tools. The commitment which the Director-General and other members of senior management needed to show in leading and demonstrating culture change was also emphasised, as was the need for a monitoring process to assess the extent of culture change and staff perceptions. Members requested to be informed of the resources needed to carry out the process of culture change (it was stressed that Regular Programme resources should not be diverted from technical and development programmes to finance this exercise). Members noted that:

- a) Financial risk is an expert area, though there is need to avoid theoretical approaches to analysis and assessment;
- b) Rapid progress can be achieved even before the Root and Branch review is completed to simplify *ex ante* and strengthen *ex post* controls, move from a rule based to policy based approach and delegate authority, given the necessary training;
- c) A culture and system must be in place to build on the accomplishments of changes in business models and practices and thus ensure that best practice continues to be applied in future; and
- d) Members agreed on the proposal to establish a change team, in a process led by the Deputy Director-General. They also agreed on: the need for external facilitation; change team members having adequate time set aside; and the full involvement of decentralized staff in the team. Management was urged to proceed rapidly in initiating the culture change process. At the same time it was recognised that this was a long-term process, based on participation and improved communication horizontally and vertically. It was closely linked to human resource policies and a culture of responsibility, accountability and incentives.

41) Members agreed on the need for a corporate-wide **Enterprise Risk Management Framework** and noted that in-house expertise is not available and extra-budgetary resources would be required. It was noted that management planned that a study should be carried out subject to funding in 2009.

42) **Ethics:** Members welcomed the proposal to appoint an Ethics Officer and subsequent establishment of an Ethics Committee.

Administration, Support Services, Human Resources and Finance

43) **The Root and Branch Review:** A Root and Branch review is being contracted by Management as part of the immediate actions to outside consultants and will cover all aspects of administrative servicing, contracting purchasing, financial management and systems, human resources, and Information Technology and Communication systems. Working Group III will have its first interaction with the team in May.

44) In addition to the Root and Branch Review Working group III has emphasised early action specifically with respect to:

- a) delegations of authority from the Office of the Director-General for human resource actions;
- b) introduction of dual grading of posts;
- c) delegation of authority for procurement, authority for Letters of Agreement to divisional level and in the decentralised offices;
- d) streamlining of travel procedures;
- e) local procurement for emergencies; and
- f) opening of temporary operational cash accounts in the field.

45) **Human Resource Policies and Practices:** Members stressed the value of FAO's human resources. They welcomed the strategy presented by Management and the presence and contribution of the staff bodies to the discussion. The strategy presented a vision which now needed to be converted into a concrete action plan. Although the results of the Root and Branch Review will further improve the plan, immediate improvements should proceed in parallel with this Review. Costings now needed to be developed for the action plan and proposals as to how any incremental costs may be met. In the development of the action plan, further emphasis should be given to:

- a) An effective policy for geographical and gender representation, particularly regarding developing countries, which should not however detract from the primary criteria of selection on the basis of merit;
- b) Increasing staff training, including in management;
- c) The establishment of a rotation policy with clear criteria (it was noted that management proposed that this should be an incentive based policy);
- d) Establishment of a joined-up and consistent system for the recruitment and development of young professionals, particularly from developing countries. This should include the intern programme and required adequate resources;
- e) Decentralisation and delegation of decision making within clear policies and requirements;
- f) Further delegation of authorities from the Office of the Director-General and from senior management (the recent progress made in this regard was welcomed, while urging further progress);

- g) Wider publication of FAO vacancies;
- h) More transparency in the recruitment of senior staff and FAORs;
- i) Transparency and competitive policies for recruitment of consultants with measures to ensure attention to geographical and gender balance;
- j) Rationalising the use of FAO retirees, which should not be used for long-term gap filling in vacant posts as a cost saving measure. Concerns were also expressed at the use of FAO retirees as senior advisers;
- k) Early introduction of an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria;
- l) Introduction of greater flexibility in recruitments through dual grading of posts;
- m) Upgrading the Oracle systems to i) improve ease of data extraction and analysis and ii) to support substantive staff management, rather than purely transaction processing;
- n) The Governing Bodies needed to be more involved in oversight of human resource policies through the Finance Committee; and
- o) Governing Body action and action by management was needed to also secure changes at the UN Common System level.

46) There should be regular reporting from management to the Governing Bodies on the development and implementation of the Human Resources Plan through the Finance Committee.

47) Information Technology and Communication Systems: Members welcomed Management's agreement with the IEE recommendations including:

- a) Ensuring the coordination and compatibility of computer systems;
- b) Deployment in the near future of a field version of Oracle adapted to FAORs' needs;
- c) Consolidation of IT functions into one division for greater efficiency and responsiveness. Members agreed with Management's view that deployment of an IT officer to each Department would not be an efficient use of resources as long as the consolidated services respond to departmental IT needs;
- d) The desirability of increasing harmonisation and cooperation among the Rome-based agencies, recognising that the differences in corporate IT systems required longer-term planning for fundamental changes.

48) **Finance:** Members appreciated that actions already being taken by Management were largely in line with the IEE recommendations. They appreciated management agreement that in the medium-term it would be possible to move to Regular Programme budgeting and accounting in both Euros and US dollars and introduce accounting in multiple currencies for extra-budgetary resources.

Oversight and Organizational Learning

49) **Evaluation:** Members agreed with the IEE that strong evaluation was indispensable for both the Governing Bodies and for senior management and that the conduct of evaluation must be responsive to, but operationally independent of, both. Evaluation in FAO was already of a relatively high standard and provided a strong foundation to build on further. The learning and accountability functions of evaluation were essential for both the Governing Bodies and management and for confidence in the evaluation function. Transparency was important, as well as clarity on institutional arrangements. The Organization's evaluation policy, strategy and institutional arrangements should be incorporated in a "Charter" which

should be subject to Governing Body approval. Building on a large measure of agreement with Management's views, Members also considered, that:

- a) the evaluation office should be inside the FAO secretariat structure, as a separate office, reporting to the Director-General or his Deputy and to the Governing Bodies through the Programme Committee. The Deputy Director-General should continue to chair the internal evaluation committee to provide advice to the Director-General and this Committee should also interact with the Programme Committee from time-to-time;
- b) the rolling evaluation plan should be approved by the Governing Bodies, as at present, following consultation with the internal evaluation committee;
- c) the evaluation Regular Programme budget should be established as a proportion of that budget and once decided upon by the governing bodies as part of the PWB approval process, it should be fully protected and allocated to the evaluation office. A greater proportion of the regular budget should be allocated to evaluation than the current level of just over 0.5% and many Members considered that it should rise progressively to the 1.0% level proposed by the IEE. It was also emphasised that all donors should respect the Council decision that at least 1% of all extra-budgetary funds should be allocated for evaluation;
- d) the post of director of evaluation should be recruited at D2 level, in line with the other evaluation offices in the Rome based agencies and the post of Inspector-General in FAO. The process of selection and appointment should be professional and transparent and the Governing Bodies should be fully consulted in the process. The director of evaluation should serve for a fixed term with the possibility of renewal for a maximum of one further term, with no immediate possibility for reappointment within FAO to another post;
- e) all appointments for evaluation of staff and consultants, should follow transparent and professional procedures with the first criteria being technical competence but also with attention to considerations of regional and gender balance. The director of evaluation should have the main responsibility for the appointment of evaluation staff and the sole responsibility for appointment of consultants (Members were informed by Management that evaluation staff and consultants should be subject, for example to geographic and gender considerations, as applied elsewhere, and that the system of delegations was already moving towards having responsibility for the appointment of staff and consultants shift to ADGs and heads of independent offices. Management thus opined that no special procedures would be required for evaluation);
- f) quality assurance was very important and a peer and evaluation mechanism for periodic review of the evaluation function should be put in place;
- g) the follow-up processes for evaluation should be further strengthened;
- h) all evaluation reports, management responses and follow-up reports should continue to be public documents, fully available to all FAO Members. Efforts to discuss and bring the reports to the attention of all concerned Governing Body members should also be further strengthened;
- i) as recommended by the IEE, the evaluation office should have an institutionalised advisory role to management on results based management and programming and budgeting, reinforcing the feed-back and learning loop;
- j) evaluation should be well coordinated within the UN system, taking account of the work of the Joint Inspection Unit (JIU) and FAO evaluation office should continue to work closely with the United Nations Evaluation Group (UNEG); and

- k) the evaluation office should continue to work closely with the Office of the Inspector-General and where appropriate the External Auditor but it was not considered that a merger of the two offices would be appropriate.

50) **Audit:** Members welcomed the measures taken to ensure effective audit functions and Management's general agreement with the IEE recommendations. They noted the high audit standards in FAO, supporting continued development of *ex post* control, transparency, coherence within the UN system and audit independence and autonomy in budget and staffing. The Governing Bodies should examine the internal audit workplan and Management should proceed with ending audit Membership in decision making committees within FAO to limit potential conflict in interest. The importance of the Governing Bodies receiving the reports of and being able to communicate with the Audit Committee was emphasised.

Global Governance for Food and Agriculture

51) Members agreed that FAO must strengthen its role as convener, facilitator and source of reference for global policy coherence and codes, conventions and agreements. The Organization must have an authoritative voice on behalf of rural people, the poor and those benefiting from the agriculture. Members noted the need for:

- a) Greater emphasis on global policy coherence to ensure adequate food and nutrition for all and not regulatory instruments alone;
- b) Study of current regulatory frameworks for food and agriculture with an overall map of responsibilities, overlaps and interactions with other bodies;
- c) Rapid development of an initial policy agenda pending outcome of the study.

52) The majority of Members expressed support to a role for FAO Governing Bodies and Secretariat in reviewing relevant governance discussions and instruments being developed in other bodies than FAO. These may have important implications for the hungry, sustainable agriculture and food and constitute a strong feature of the Organization's approach to global governance. Such discussion should also be joined up to alert national governments to the wider implications of such developments. Some Members argued that their governments have well considered national positions and that FAO should not make points about discussions in other global fora which could also lead to duplication of work.

Functions and Structure of the Governing Bodies

53) **Functions of the Conference and Council:** The Working Group on Governance Reform has re-emphasised the executive role of the Council. At the same time the Working Group has stressed the role of the Conference with respect to global review of the world food and agriculture situation, and the development of global policy coherence and governance on behalf of FAO's stakeholders (the malnourished, agriculturally dependent people and food consumers)¹. It concluded that the Council already concentrated on executive oversight of the FAO secretariat, its budget and programmes. The main venue for discussion and decision on global governance issues should be in the Conference, following their discussion in the Technical Committees and the Regional Conferences.

¹ It was noted that the Conference includes specialists in its Commissions to a much greater extent than the Council and is fully representative of the membership as a whole, as are the Technical Committees which are made up of specialists.

54) This distinction of roles between the Council and the Conference could be further reinforced, reducing duplicative discussion. The Council would naturally continue to consider the recommendations for priorities, policies and strategy in the work of the Organization emanating from Technical Committees and Regional Conferences. The Conference would continue to set the overall objectives, strategy and budget of the Organization. Members drew specific attention to the need to provide more focus for the Conference itself, not overburdening its agenda and making it more attractive for participation by Ministers and senior officials.

55) Programme and Finance Committees: Members agreed that the Programme and Finance Committees should function better to support the Council's role in executive governance. The Committees should make clear recommendations and give more attention to policies, strategies and priorities. Members agreed that membership needed to ensure regional balance. Also:

- a) the committees should be open to non-speaking observers;
- b) the chairs should be elected in a personal capacity and should not occupy seats of their electoral groups;
- c) the members should be elected with due attention to their technical qualifications but that the members are countries not individuals
- d) the countries should be able to replace their members if they become unavailable before the expiry of their term of office, as is in fact the current practice; and
- e) if a member cannot be present for a meeting, he or she may be substituted by another member from their electoral group, thus avoiding that a seat remains empty during a meeting.

Members agreed that:

- f) the Programme and Finance Committees should have their functions clarified in the Basic Texts and that for the Programme Committee this included consideration of field and decentralized work, global governance priorities and partnership and coordination with other organizations for technical work. The Finance Committee should cover all aspects of administration, services and human resources as well as finance;
- g) the two committees should be required in the Basic Texts to produce recommendations to the Council on the matters before them
- h) the two committees should not vote but should continue to search for consensus;
- i) the two committees should not be merged;
- j) the two Committees should hold more joint meetings and joint meetings should normally be chaired by the Independent Chairperson of the Council, who should also normally attend meetings of the Committees;
- k) Chairs should be independently elected in a personal capacity and not represent a region or country in the two Committees; and
- l) the membership of the Committees should each be increased, in addition to the Chair, to eight representatives of Africa, Asia, Latin America and the Caribbean and the Near East and four representatives of Europe, North America and the South West Pacific (1+8+4).

56) **Regional Conferences:** Members expressed the view that the Regional Conferences have an important potential role in governance for: policy coherence in their region; discussion of priorities in global governance as they relate to the region; and in determining FAO priorities. This role may vary from region to region. FAORs, and relevant regional and headquarters staff should attend the Regional Conferences which should:

- a) Become a full part of the governance structure, feeding into the Conference and Council. This will require a revision of the Basic Texts;
- b) Develop issues for regional policy coherence;
- c) Exercise an oversight function for FAO programmes in the region;
- d) As possible, hold the sessions in tandem with other inter-governmental regional bodies concerned with agriculture (for example IICA for Latin America and the Caribbean);
- e) Be convened by the Members of the regions, with more consultation on agendas, formats and duration;
- f) Have their Chairs, or as appropriate the rapporteurs, who remain in office between sessions and present the regional conference report to the FAO Council and Conference.

57) Some Members further considered that, as recommended by the IEE, there should be an evaluation of performance of the Regional Conferences in six years to consider their effectiveness.

58) **Technical Committees and Ministerial Meetings:** Members emphasised that the Technical Committees are fundamental to FAO's work. Most Members considered that:

- a) the Committees should report to Council on FAO's programmes and the priorities and strategies for the programmes and directly to the FAO Conference on global policy and regulation;
- b) Chairs should remain in office between sessions;
- c) More use should be made of informal sessions and side events, taking care that developing countries and small countries are well represented;
- d) informal sessions with NGO and private sector representatives could be useful but care should be taken to include representation from developing countries;
- e) conferences of parties to treaties, conventions and agreements such as the IPPC should report through the relevant Technical Committee to the Governing Bodies;
- f) The Committee on Agriculture (COAG) should specifically include and devote adequate time in its agenda to coverage of the livestock sector;
- g) The Committee on Commodity Problems (CCP) should strengthen interaction with UNCTAD and WTO;
- h) The Committee on World Food Security (CFS) should meet once per biennium. It also needed to revitalise its role regarding monitoring and driving progress on the World Food Summit Goals and reviewing the State of Food Insecurity in the World.

59) **Ministerial meetings** were useful when matters developed at technical level needed political endorsement or more visibility. However, these should not duplicate work of the Conference or Technical Committees.

Efficiency and Effectiveness of the Governing Bodies and Role of the Independent Chairperson of the Council

60) **Efficiency and Effectiveness of the Governing Bodies:** There was agreement on the importance of improving the efficiency, effectiveness and Member ownership of governance processes. There should be a rolling work programme for all Governing Bodies, with a monitoring mechanism. Efficiency indicators might be introduced at a later stage. The Working Group on Governance, further considered that:

- a) Duplication of discussion between the Council and Conference should be reduced. Members considered that the Council still needed to prepare the work of the Conference, but this did not mean it needed to meet immediately before it or pre-discuss global governance issues;
- b) The Council, the Programme and Finance Committees and the technical committees should meet more frequently and flexibly, with the duration of sessions being modified according to requirements but often being shorter than at present;
- c) There should be less negotiation of full reports in drafting committees (line-by-line negotiation of the discussion of a meeting as distinct from the decisions was not productive). There could be more formal drafted decisions and recommendations, as was the practice in many other UN Organizations. This would make the actual decisions clearer. These decisions would require drafting committees or Friends of the Chair for their finalisation in the Council but some Members further suggested that a Chair's aide mémoire or the verbatim would be adequate record of the discussion, as it was the decisions which mattered;
- d) The present operations of the Council in exercising its executive function were constrained by lack of clear cut recommendations and alternatives put for its consideration by the Programme and Finance Committees on policy, strategic and prioritisation issues for the Organization's work;
- e) Regional Conferences and Technical Committee Chairs or their representatives should present the reports of their meetings to the Council and Conference, as was the present practice with the Programme and Finance Committees;
- f) Decisions made by consensus were preferable but the option for voting remained when needed, as at present;
- g) Informal briefing of representations in Rome before meetings was very useful, though not a total substitute for briefing delegations from capitals;
- h) Members agreed that the Council should concentrate more on making decisions and recommendations. Many Members supported the proposal to eliminate drafting of the full report of the Council, concentrating drafting on decisions which would thus become clearer. In their view, a document such as an aide mémoire of the chair or the verbatim could serve as a record of discussion, without requiring a drafting group for this but a drafting group would probably be required for decisions;
- i) Most Members considered that the Council should make a clear set of recommendations to the Conference on the proposed Programme of Work and Budget, including the budget level and that it should be the Council that transmitted the proposal to the Conference. This procedure should be reflected in the Basic Texts. This would, in their view, encourage the Council to undertake serious preparatory negotiations prior to the Conference and could reduce the extent of time that the Conference expended on the budget decision at the expense of dealing with global agricultural issues. At the same time it would not in any way impinge on the Conference's mandate in making final decisions. One Member reserved its position on this proposal; and

- j) It was agreed that the Council and Conference should continue to search for consensus in making decisions and voting should only be a last resort. In the case of the Council, if no consensus could be reached on decisions within the prerogative of the Conference, and there were substantial minority views, these would normally be transmitted to the Conference along with the views of the majority.

61) **Independent Chairperson of the Council:** All Members considered that the Independent Chairperson should play a greater facilitation role in further empowerment of the Council to better play its role in governance and oversight and this required her/his more extended presence in Rome. Members considered that the Independent Chairperson:

- a) should have a defined role specified in the Basic Texts;
- b) should continue to be elected by the whole membership at the Conference;
- c) Stressed that there should clearly be no overlapping executive role between the Independent Chairperson and the Director-General; and
- d) Would require limited secretariat support to be effective but views varied on the extent of support required and cost-implications.

Appointment of the Director-General

62) With respect to the appointment of the Director-General, Members agreed that proposals of candidates by Member Countries and elections should still be carried out as foreseen in the Basic Texts, and:

- a) agreed that each upcoming election for the post of Director-General should be widely publicised and advertised with terms of reference for the post and desirable competencies;
- b) reconfirmed the need for term limits, with many Members in agreement that a four years, plus four years formula is logically consistent;
- c) agreed that candidates for Director-General should address the Council and/or Conference as part of the election process; and
- d) did not consider that a performance appraisal system should be applied to the Director General as the outcome of any election for a second term would constitute a Member assessment.

Annex 2: Specific Comments by Individual and Groups of Members on the Substantive Content of the Chair's Progress Report to the CoC-IEE

The Annex summarises comments made by individual delegations or in some cases several delegations. It is provided to facilitate recall of what was said but in no way implies the acceptance by the majority of the comments made

- 1) **Elements of the Strategic Framework and Medium-Term Plan**
 - a) There should be a limited number of strategic objectives, and there should be a certain degree of flexibility to ensure objectives that are no longer relevant can be dropped and new ones created on emerging issues.
 - b) The results that the Organization plans to achieve should be divided into those that depend on FAO exclusively and those for which the Organization is not uniquely responsible. For the first set of results, indicators should be developed, while, in order to monitor the achievement of the results for which FAO is not uniquely responsible, a system of consultation and cooperation with other stakeholders should be established.
 - c) FAO should take responsibility with regards to the provision of data on world food security and should also influence policies and directives related to it.
 - d) Regional priorities should be set within the Organization's overall priorities.
 - e) The outcomes of the High Level Conference should be taken into account when developing the priority themes.
- 2) **Consideration of Strategies and Programmes**
 - a) The importance of the Right to Food approach and of rural livelihoods should be well reflected in the report.
 - b) FAO's fundamental role for its areas of mandate in managing knowledge and making it available to Member Countries should be highlighted.
 - c) Crops should be a priority for the Organization. In this area, FAO should not only support policy matters but it should ensure transfer of know how in order to increase the agricultural productivity of developing countries.
- 3) **Programme and Budget Process for consideration by the Governing Bodies**
 - a) The budget level, to be approved by the Conference, should be part of a brief document which will justify the proposed level and provide an estimation of the expected level of extra-budgetary resources. Administrative and technical budgets should be separate, and the technical budget should be shown by strategic objective.
 - b) The Conference should concentrate on programmes and avoid discussing the details of the budget (the examples provided by management of results for the Medium-Term Plan have been accepted by the Working Groups as an adequate level of detail).
- 4) **Arrears and Late Payments:** Consider granting an increased discount for timely payment of Member countries of their assessed contributions (this matter is under consideration in the Finance Committee and the CoC-IEE is awaiting the outcome of that discussion).
- 5) **Organizational Change**
 - a) It was important for the Special Session of the Conference to make early decisions on organizational change

- b) Considering that changes to FAO's structure could entail a considerable cost, the role of Governing Bodies should not go beyond providing observations on the direction for change.
 - c) There should be more in-depth discussion of the IEE recommendations for country offices' criteria.
 - d) FAO Representatives should report to the Regional Representatives as was the consensus in the Working Group.
 - e) Senior managers should act as champions of important cross-cutting issues (e.g. climate change and gender) rather than creating separate units for these issues.
 - f) The authority of the Director-General should be delegated to lower levels to the maximum extent possible and the structure of the Organization should be modified accordingly.
 - g) The functions of the proposed Deputy Directors-General should be further defined before deciding on the appropriate number.
 - h) A mechanism should be established to ensure that the quality of the work of the Organization is maintained throughout the delayering process.
- 6) **Global Governance**
- a) The term global governance should be better defined. What was meant was international policy coherence by governments and global and regional regulation (instruments).
 - b) There should be more emphasis on policy coherence and norms for development.
- 7) **Functions and Structure of the Governing Bodies:** The Members who considered that the functions and composition of the Programme and Finance Committees needed further discussion made suggestion, including.
- a) It should be stated that representatives of Member countries to the Programme and Finance Committees should be elected exclusively on the basis of their technical capacity.
 - b) Members of the Programme and Finance Committees are countries so they cannot be appointed on their technical capacity.
 - c) Chairs of the Programme and Finance Committees should not be elected in a personal capacity but as countries.
- 8) **Efficiency and Effectiveness of the Governing Bodies and Role of the Independent Chairperson of the Council:** There should be further discussion of the role of the Independent Chairperson of the Council.
- 9) **Appointment of the Director-General:** If the performance appraisal system for the Director-General is not approved, other ways of ensuring accountability should be sought such as an annual report to the Council by the Director-General. Elections every four or six years were not a sufficient tool of accountability.

Annex 3: Indicative Draft Outline of CoC-IEE Report to the Special Session of the Conference (including the Plan of Immediate Action which includes elements of the Strategic Framework and Medium-Term Plan)

(The Director-General may provide a separate Report to the Special Session or a note within the Introduction to the Report of the CoC-IEE. The Chair CoC-IEE may provide a Foreword to the Report)

1) Introduction

- a) The IEE – very brief history and what it covered
- b) Mandate of the CoC-IEE
- c) The structure of working groups and the approach followed.

2) Draft Resolution of the Special Session of the Conference

3) Recommendations for the Future - Immediate Plan of Action²

a) FAO Vision and Programme Priorities

- i) **Priorities and Programmes of the Organization** –Major Elements of the long-term Strategic Framework and Medium-Term Plan (based on draft prepared by management)

- (1) Elements of a Strategic Vision (Strategic Framework)
- (2) The Goals of Member Nations (Strategic Framework)
- (3) Strategic Objectives (Strategic Framework & Medium-Term Plan)
- (4) Results Framework and Priority Themes (Medium-Term Plan)

- ii) **Immediate Priorities and Programme Adjustments** (2009-2011) - (based on draft prepared by management)

- iii) **Reform of Programming, Budgeting** and Results Based Monitoring including resource mobilization strategy (based on draft prepared by management)

b) Governance Reform

- i) Reform of the Governing Bodies (based on drafts prepared by the CoC-IEE secretariat)
- ii) Oversight and Organizational Learning (based on drafts prepared by the CoC-IEE secretariat in full consultation with management)
 - (1) Evaluation
 - (2) Audit

c) Reform of systems, culture change and organizational restructuring

- i) **Institutional culture change and reform of administrative and management systems** (based on drafts prepared by management with reference to root and

² In addition to the section on partnerships, partnerships will also be referred to in the text as appropriate

branch review and management study)

- (1) Culture Change in the Secretariat including approach to risk
- (2) Human resource policy;
- (3) Purchasing, contracting, etc.
- (4) Information and Communication Technology
- (5) Finance

ii) **Restructuring for effectiveness and efficiency** (following management responses based on drafts prepared by the CoC-IEE secretariat in full cooperation with management (costs and savings to be provided by management))

- (1) FAO Organizational structure:
 - (a) Country level representation
 - (b) Regional and sub-regional offices
 - (c) Headquarters
- (2) Partnerships

d) **Immediate and Medium-Term Schedule of Deliverables - Indicative** (based on draft prepared by FAO management in consultation with the CoC-IEE secretariat)

- i) Timetable of deliverables and milestones with indicators of achievement
- ii) Responsibilities and Implementation Arrangements
- iii) Schedule of costs and savings and indications of whether Regular Programme or Extra-budgetary