

Report of the CoC-IEE to the FAO Conference

In presenting its report to the Conference, the CoC- IEE wishes to express its appreciation for the strong support provided by FAO Management and the Director-General throughout the process. The CoC-IEE also gratefully acknowledges the unfailing commitment of FAO staff to the reform of the Organization. Moreover, the leadership, dedication and hard work of the Chair of the CoC-IEE, Prof. Mohammad Saeid Noori Naeni, of the Vice-Chairs, Ambassador van Ardenne and Ambassador Ngirwa, as well as the Chairs, Co-Chairs, Vice-Chairs and Members of the Working Groups were crucial in bringing the work of the CoC-IEE to a successful conclusion.

INTRODUCTION

1. In 2008, the Special Session of the Conference adopted the Immediate Plan of Action (IPA) for FAO Renewal to be implemented between 2009 and 2011. The Conference also established “*a time-bound Conference Committee (CoC-IEE) for the duration of 2009 under Article VI of the FAO Constitution for continued follow-up to the Independent External Evaluation of FAO, completing outstanding work within the Immediate Plan of Action.*”¹

2. The functions of the CoC-IEE were to recommend to the Conference in 2009:

- “(1) *the new Strategic Framework, Medium Term Plan 2010-13 and the Programme of Work and Budget 2010-11 on the new integrated results-based framework;*
- (2) *any changes found desirable in the size and regional representation in the Membership of the Council;*
- (3) *further reforms of systems, culture change and organizational restructuring, including:*
 - (a) *Dynamic follow-up to the reports of the Root and Branch Review by management, including early actions,*
 - (b) *Initiation and review of the report of the study for an Organizational Risk Assessment and Management Framework,*
 - (c) *Plans for increased effectiveness of the decentralized offices,*
 - (d) *Detailed proposals for strengthened Human Resource management.*”

3. The CoC-IEE was also requested “*to recommend to the Conference in 2009 necessary changes in the Basic Texts as provided for in the Immediate Plan of Action*” and to monitor the implementation of the IPA during 2009, in close consultation with the FAO Governing Bodies.

4. The CoC-IEE was additionally requested “*to analyse the concept of “Reform with Growth” and submit proposals to the 2009 Conference*”.

¹ Resolution 1/2008: Adoption of the Immediate Plan of Action for FAO Renewal – the full text of the Resolution is reproduced as Annex 1 to this report.

5. The working arrangements for the CoC-IEE, its Bureau and Working Groups were similar to those adopted in 2008. The Working Groups were renamed to reflect the nature of the work to be carried out in 2009 as follows²:

- Working Group I: Strategic Framework, Medium Term Plan and Programme of Work and Budget;
- Working Group II: Basic Texts and Membership of the Council;
- Working Group III: Reform of Systems, Culture Change and Organizational Restructuring.

6. At its first meeting on 21st January 2009, the CoC-IEE agreed its work plan. Efforts were made, through careful planning, to ensure that the programmes of work of the CoC-IEE and of the Management were fully consistent and, at the same time, well coordinated with the meetings of the Governing Bodies in 2009. In total, 32 sessions were initially scheduled, which were later increased to ...UPDATE WITH FINAL FIGURES (see Annex 2 for the schedule of CoC-IEE meetings in 2009).

7. Additionally, a number of informal seminars were organized on IPA-related matters. They were arranged in response to requests made by Members, who wished to exchange views informally and interactively among themselves and with the Management on issues of particular interest. Although not part of the formal deliberations, the seminars proved to be useful in improving communication and understanding, thus helping to make progress on various issues in such areas as culture change, restructuring at Headquarters and in decentralized offices, results based management, streamlining of administrative processes, management of human resources, staff involvement and expectations, etc.

8. **Implementation of the IPA:** During 2009, progress on the implementation of the IPA has been reported regularly by FAO Management to the CoC-IEE and its Working Groups, as well as to the FAO Council.

9. Implementation of the IPA has proceeded based on 14 projects, each one grouping a number of closely related actions, under the responsibility of project leaders and teams established by Management. While much has been achieved already under many projects, depending on their scope and length, some important parts remain to be done. Implementation of the IPA is in fact only closing the first year of a longer period of time during which this complex process is expected to unfold. Therefore, as was the case in 2009, the continued execution leading to the completion of the IPA will represent a major feature of the forthcoming 2010-11 biennium.

10. In April 2009, the consulting firm Ernst and Young released their report at the conclusion of the IEE-recommended Root and Branch Review (RBR) of mainly administrative processes. To facilitate understanding of the varied and often interlocking reform measures and actions underlying both the IPA and the accepted recommendations from the RBR, an integrated approach has been adopted, as agreed by the CoC-IEE and the Council, by placing RBR-related actions under relevant IPA projects. Annex 5 indicates the progress achieved in 2009 across all the IPA actions and provides an overview of all IPA actions over the period 2009 through 2011.

² Details of membership and officers of the CoC-IEE, its Working Groups and Bureau are provided in Annex 2 to this report.

11. The structure of the report follows the content of Resolution 1/2008 and reflects the main areas of work of the CoC-IEE in 2009. The first section provides an overview of the planning documentation prepared by Management in response to the requirements for a new results-based framework set out in the IPA. It also provides the CoC-IEE's analysis of the concept of "Reform with Growth". The second section of the report covers the area of Governance reform outlining the process that has led to drafting of the amendments to the Basic Texts necessary to the implementation of the IPA and the outcome of deliberations concerning the membership of the Council. Finally, the third section presents what has been achieved in the area of Reform of Systems, Culture Change and Organizational Restructuring while section IV lists the areas of outstanding work in relation to the IPA and the mechanisms which will be established in 2010 to ensure their completion.

I. STRATEGIC FRAMEWORK, MEDIUM TERM PLAN AND PROGRAMME OF WORK AND BUDGET

12. This Section outlines the new FAO results framework, providing an overview of the programming and budgeting documentation. It also covers the concept of “Reform with Growth”, as requested by the Conference in 2008. The planning documents represent a major effort to link means to ends, to define results based on contribution to objectives and resource requirements. They present a unified programme of work in the results frameworks for assessed and estimated voluntary contributions across all locations, starting the move from supply-driven to a demand-driven results and resource allocations. They also provide basis for management accountability, internally and to the Members, through indicators in the results frameworks.

13. As called for by the IPA, and in order to make a clear link between the results that need to be delivered and the required resources, the Medium Term Plan (MTP) 2010-13 and the Programme of Work and Budget (PWB) 2010-11 have been, for the first time, presented by Management in a combined document. The MTP emphasizes the formulation of the Strategic and Functional Objective results frameworks, together with indicators and targets for achievement, which the Organization commits to delivering over the next four years. The formulation of these frameworks will help to begin to focus and prioritize the work of the Organization, which will continue into the 2010-11 biennium.

14. The PWB, on other hand, sets out the resources that will need to be applied – from both assessed and voluntary contributions – over the first two years of the MTP. The formulation process was particularly complex, as the PWB 2010-11 is in effect an all-inclusive package of reform and programme of work.

a) Strategic Framework

15. The new Strategic Framework is a forward looking document with a ten-year horizon, subject to review every four years, setting forth the agreed Vision for FAO and Global Goals of Members, and outlining the results-based approach for programme planning, implementation, monitoring and reporting, within a means-to-ends hierarchy covering all the work of the Organization.

16. In line with the format set out in the IPA (action 3.2), the Strategic Framework includes (see box):

- an analysis of the challenges facing food, agriculture and rural development (Section I);
- the agreed Vision for FAO and Global Goals of Members (Section II);
- the results-based approach for programme planning, implementation, monitoring and reporting, within a means-to-ends hierarchy covering all work of the Organization (Section III);
- the Strategic Objectives to be achieved by Member Countries with support from FAO (Section IV); and
- the eight Core Functions identified in the IPA, and representing the comparative advantages of FAO, across the Objectives (Section V).

FAO's results-based framework

FAO's Vision

A world free of hunger and malnutrition where food and agriculture contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.

The three Global Goals of Members

- reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which all people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- elimination of poverty and the driving forward of economic and social progress for all, with increased food production, enhanced rural development and sustainable livelihoods;
- sustainable management and utilisation of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.

Strategic Objectives

- A. Sustainable intensification of crop production.
- B. Increased sustainable livestock production.
- C. Sustainable management and use of fisheries and aquaculture resources.
- D. Improved quality and safety of foods at all stages of the food chain.
- E. Sustainable management of forests and trees.
- F. Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture.
- G. Enabling environment for markets to improve livelihoods and rural development.
- H. Improved food security and better nutrition.
- I. Improved preparedness for, and effective response to, food and agricultural threats and emergencies.
- K. Gender equity in access to resources, goods, services and decision-making in the rural areas.
- L. Increased and more effective public and private investment in agriculture and rural development.

Functional Objectives

- X. Effective collaboration with Member States and stakeholders.
- Y. Efficient and effective administration.

Core Functions

- a. Monitoring and assessment of long-term and medium-term trends and perspectives.
- b. Assembly and provision of information, knowledge and statistics.
- c. Development of international instruments, norms and standards.
- d. Policy and strategy options and advice.
- e. Technical support to promote technology transfer and build capacity.
- f. Advocacy and communication.
- g. Interdisciplinarity and innovation.
- h. Partnerships and alliances.

17. In addressing the overall trends and challenges facing food, agriculture and rural development, FAO's new results-based approach provides a structured means for focusing on the opportunities where FAO is best placed to intervene, leveraging its comparative strengths vis-à-vis other development partners. This promotes a demand-driven definition of focused interventions that are directly linked to the achievement of Members' Goals and Objectives. These interventions are the basis for FAO's four-year results frameworks and two-year programme of work presented in the Medium Term Plan and Programme of Work and Budget.

b) Medium Term Plan

18. The IPA established the format for the presentation of the Strategic and Functional Objectives and underlying Organizational Results in the MTP (IPA action 3.3).
19. The MTP has a four-year time horizon and to be reviewed each biennium, covering:
- a) Strategic Objectives for achievement with support from FAO by Member Countries and the international community, as per the Strategic Framework;
 - b) Functional Objectives that ensure organizational processes and administration work towards improvements in a results-based framework.
 - c) Organizational Results: the more specific Organizational Results represent the outcomes expected to be achieved over a four-year period through the taking-up and use by Members and partners of FAO's products and services. The identification of Organizational Results also applies to Functional Objectives. In this context, the Working Groups welcomed the more limited number of Organizational Results (56) in the new results framework in line with the earlier trend of reduction in Programme Entities (183);
 - d) Core Functions of FAO; and
 - e) Impact Focus Areas (IFAs) that provide a communication and advocacy tool to orient resource mobilization and partnering efforts toward priority groups of results.
20. **Indicators.** As foreseen in the IPA (action 3.3), the formulation of specific, measurable, achievable, realistic and time-bound (SMART) indicators of outcome is at the heart of the new FAO planning framework, and will be one of the critical success factors for an effective results-based management system. In this regard, the CoC-IEE Working Groups provided the following guidance: (i) indicators should measure outcome rather than output level results; (ii) the ability to effectively benchmark, measure and monitor the indicators on an ongoing basis through baselines and data sources should be ensured; and (iii) efforts should be made to limit the number of indicators for each outcome, so as to permit monitoring within foreseeable resource levels.
21. As set out in the IPA (action 3.12), the Organization is to put in place a resource mobilization and management strategy starting in the next biennium, comprising Impact Focus Areas, National Medium Term Priority Frameworks, and regional and subregional areas of priority action. The strategy will be part of the medium-term planning process to ensure the focus of voluntary contributions on the results frameworks and improve governing body monitoring and oversight.
22. **Impact Focus Areas.** As set out in the IPA (action 1.5), Impact Focus Areas (IFAs) have been established to:
- a) help mobilise resources for priority groups of results which could benefit from additional funding, acting as “flagships”, providing a communication and advocacy tool to better attract voluntary extra-budgetary resources and partnerships to supplement assessed contributions;
 - b) progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions;
 - c) primarily address issues of priority to developing countries with emphasis on capacity building and getting policy frameworks right; and

- d) facilitate governing body oversight of the use of extra-budgetary resources in line with agreed priorities.

23. Seven Impact Focus Areas have been endorsed by the CoC-IEE, which will help to mobilize extra-budgetary support for 80% of all Organizational Results

FAO's Impact Focus Areas

- a) Support to the implementation of the CFA - smallholder farmer food production and global information and monitoring systems (IFA-CFA);
- b) Transboundary Threats to Production, Health and Environment (IFA-EMPRES);
- c) Strengthening the base for sustainable forest management (IFA-SFM);
- d) Capacity Building in support of Implementation of the Code of Conduct for Responsible Fisheries (IFA-CCRF);
- e) Coping with scarcity of water and land resources (IFA-WALS);
- f) Capacity Building to strengthen information and statistics for decision making for the sustainable management of agriculture, natural resources, food security and poverty alleviation (IFA-CBIS);
- g) Global Standard Setting and implementation into national policies and legislation (IFA-SNL).

c) Programme of Work and Budget

24. As set out in the IPA (action 3.4), for the first time, the PWB 2010-11 presents an integrated view of the total resource requirements to carry out the Programme of Work, in the form of assessed contributions and voluntary contributions handled as a unified work programme. Through the results-based approach, these resources will be subject to the same planning and oversight arrangements, with encouragement to donors to reduce earmarking and increase pool funding of voluntary contributions. In the new planning cycle, as foreseen in the IPA, the Council will propose the Programme of Work, the level of assessed budget and provide an estimate of extra-budgetary funding to the Conference for further consideration and approval.

25. The CoC-IEE endorsed the application of the new funding model, as mandated by the IPA, noting that the integrated budget provided a more holistic view of resources at the disposal of the Organization, which is intended to improve governance, oversight and application to the agreed results frameworks while also highlighting the important role of voluntary contributions. Some concern was expressed over the effects of the uncertainty and earmarking of voluntary contributions on the achievement of planned results in the unified work programme. In this context, it was noted that the mobilization and provision of voluntary contributions needed to be more strategic, driven by results frameworks, and with less earmarking.

26. The Programme of Work is based on the requirements to achieve the two-year targets under the results frameworks presented in the MTP for the Strategic Objectives and Functional Objectives, along with associated requirements for country offices, the Technical Cooperation Programme, and Capital and Security Expenditure.

27. The PWB is to cover a single biennium, with the budget divided between an administrative budget and a programme budget from assessed contributions and estimated extra-budgetary resources presented in a results-based framework and providing:

- the Organizational Results framework as per the MTP, including the organizational responsibility for each result;
- the quantification of costs for all Organizational Results and all obligations;
- a calculation of cost increases and planned efficiency savings;
- the provision for long-term liabilities, under-funded obligations and reserve funds; and
- the draft Appropriations Resolution for approval by the Conference.

d) Results Frameworks

28. As foreseen in the IPA (action 3.3) and agreed by the CoC-IEE and Council, the combined MTP/PWB provides the full elaboration of the results frameworks and the planned 2010-11 resource allocation for each Strategic Objective and Functional Objective, which includes:

- the objective title, being the benefits or changes expected to be achieved in a ten-year timeframe in country institutions, the international community or development partners;
- the statement of issues and challenges, being the problem(s) to be addressed, including significant demographic, environmental and macro-economic factors and trends; it highlights key development intervention needs focusing on opportunities for intervention by FAO, through targeted Organizational Results and Primary Tools;
- assumptions and risks associated with the achievement of the objective, assuming the Organizational Results are achieved. Assumptions are hypotheses about risks that could affect the progress or success of a development intervention;
- checklist of the application of the core functions to the achievement of each of the organizational results;
- organizational results, being the outcome, or effects, that are expected to be achieved over a four-year time horizon from the update and use of FAO's products and services;
- indicators, being the quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor;
- baseline, being the value of the indicator measured at the beginning of the period – in this case the beginning of 2010;
- targets, being the value of the same indicator at the end of the two-year PWB and four-year MTP, hence reflecting what is expected to be achieved during those periods; and
- the level of resources (assessed and voluntary) planned for each Organizational Result across the Organization for the 2010-11 biennium.

29. Although an attempt has been made in the MTP at expressing the substantive priorities of the Organization, it is recognised that prioritization is a long-term exercise dependant on the availability of adequate complementary information from the Technical Committees and

Regional Conferences, which should be provided in the first full cycle of results-based planning in 2010-11. In this context, the development of regional and subregional areas of priority action is foreseen for consideration by the Regional Conferences in 2010.

e) Concept of “Reform with Growth”

30. Resolution 1/2008 tasked the CoC-IEE with analysing the concept of “Reform with Growth” and submitting proposals to the 2009 Conference. In fact, while the expression of “Reform with Growth” was a central message of the IEE, it was not firmly defined by the evaluators.

31. On the basis of consultations with the Programme and Finance Committees, the Working Groups agreed that while there could be a range of perceptions about the implications of the concept, the notion of “Reform with Growth” entailed, inter alia, an adequately resourced Organization with stronger comparative advantage, improved governance and reinforced technical, administrative and managerial competencies, at Headquarters as well as in Decentralized Offices. The main conclusions are reproduced in the following box.

“Reform with Growth”³

“The Committees submitted to the CoC-IEE the following initial elements related to the concept of “reform with growth” for its consideration. The growth should be real, considering the following points:

- a) a primary consideration of ensuring efficient and effective delivery of services to member countries;*
- b) the need to guarantee sustainability of the reforms presently carried out in the Organization;*
- c) the imperative of ensuring that highly qualified and sufficient human resources are at the disposal of FAO;*
- d) growth requirements not to be defined by pre-determined figures but be assessed in the first instance against the Strategic and Functional Objectives and MTP approved by the governing bodies; and*
- e) the expected full integration of Regular Budget and extra-budgetary resources in the MTP and PWB.”*

32. Members also stressed the need to consider a long-term approach to “Reform with Growth”, combining increase in resources with greater accountability and effectiveness of a reformed Organization. In an attempt to further clarify the concept, the following aspects were emphasized:

- the inclusion of the impact on food security as one possible element of the definition of Reform with Growth;
- concern on the predictability of extra-budgetary resources;
- maintaining adequate levels in the Organization’s Human Resources;
- ensuring adequate monitoring of the process of Reform with Growth.

³ Paragraph 17 of the report of the Joint Meeting of the Programme and Finance Committees (CL 136/10, 13 May 2009).

II. GOVERNANCE REFORM

33. The 2008 Conference requested follow-up work in two areas of Governance: (i) the amendments to the Basic Texts of the Organization necessary for the implementation of the Immediate Plan of Action; and (ii) the issue of the Membership of the Council, which had been left open in 2008. The amendments to the Basic Texts recommended by the CoC-IEE, which are fully addressed in Annex 3, are only briefly outlined in this section.

a) Amendments to the FAO Basic Texts for the implementation of the IPA

34. The Special Session of the Conference determined (Resolution 1/2008) that the CoC-IEE should recommend to the Conference in 2009 necessary changes in the Basic Texts for the implementation of the Immediate Plan of Action (IPA). It further determined that this work be carried out on the basis of the recommendations of the Committee on Constitutional and Legal Matters (CCLM), and would be reviewed by the Council as appropriate.

35. The CCLM held five sessions in 2009, all open to silent observers. The CCLM recommended a number of amendments to the Basic Texts, covering all the areas in which they were mandated by the IPA.

36. Working Group II of the CoC-IEE met **three** times in 2009 to review the proposed amendments to the Basic Texts of the Organization. It also provided guidance to the CCLM on two specific matters, namely: (i) the harmonization of the status of the CCLM and the Programme and Finance Committees so that the CCLM, in addition to its seven elected members, would have a Chairperson elected by the Council, on the basis of individual qualifications, who would not represent a country or region and would not have the right to vote; and (ii) the possibility of replacing a Member during a session of the Programme and Finance Committees and the related procedure. **UPDATE IF NEEDED.**

37. The CoC-IEE endorsed in June 2009 all the proposed amendments that had been recommended by the CCLM and reviewed by Working Group II at that time. This allowed to meet the July 2009 deadline required to inform FAO Members of the proposed amendments to the Constitution⁴. The CoC-IEE also noted that the CCLM should consider additional IPA-related amendments to the Basic Texts at a subsequent session in 2009.

38. In the *Report of the CoC-IEE on Amendments to the Basic Texts for the Implementation of the Immediate Plan of Action*, included as Annex 3 to this report, changes to the Basic Texts are recommended in the following areas:

- Conference;
- Council;
- Independent Chairperson of the Council;
- Programme and Finance Committees;
- Committee on Constitutional and Legal Matters;
- Technical Committees;

⁴ The deadline for informing the Membership of proposed amendments to the Constitution is 120 days before the Conference session at which such proposals are to be put to the vote (Article XX, paragraph 4 of the Constitution).

- Regional Conferences;
- Ministerial Meetings;
- Statutory Bodies, Conventions, Treaties, Codex, etc.;
- Evaluation;
- Appointment and term of office of the Director-General;
- Reform of Programming, Budgeting and Results-Based Monitoring;
- Ethics Committee;
- Delegation of authority of the Director-General.

39. In line with the CCLM recommendations, the proposed amendments are to be made to the Constitution, the General Rules of the Organization (GRO) and the Financial Regulations, as well as to the Rules of Procedure of individual Committees of the Council. In addition, some IPA actions are to be addressed through resolutions of the Conference. All the proposed amendments are fully addressed in Annex 3 of this report.

b) Membership of the FAO Council

40. Resolution 1/2008 provided that the CoC-IEE should recommend to the Conference in 2009 “any changes found desirable in the size and regional representation in the Membership of the Council.”

41. The issue of the membership of the Council was discussed extensively in 2008, following the conclusion by the IEE that the representational basis of Council membership was unbalanced and in need of review. In 2009, the various options for the membership of Council which had emerged from previous discussions were placed before Working Group II for further consideration, noting that an effective and efficient Council was considered important by all Members.

42. Working Group II agreed that: (i) the option of redistribution of seats among regions while maintaining the present size of Council was unacceptable; and (ii) the reconstitution of the Council on an executive board model with reduced membership was not feasible at this point in time – consistent with the IEE recommendation in this regard.

43. The possible options of leaving the Council membership unchanged or increasing the number of Council seats and the distribution of additional seats among Regional Groups were further discussed in Working Group II, as well as through consultations among the Regional Groups.

44. *[Eventually, the views expressed on the size issue could not fully converge and a consensus could not be achieved. This unsettled issue therefore remains outstanding within the governance reform process stemming from the IPA.]*

III. REFORM OF SYSTEMS, CULTURE CHANGE AND ORGANIZATIONAL RESTRUCTURING

45. This section covers items in the area of administration, culture change and organizational restructuring. It also addresses the outcome of the Root and Branch Review (RBR) and the study for an Organizational Risk Assessment and Management Framework, as requested by the 2008 Conference

a) Headquarters Organizational Structure

46. The IPA called for a comprehensive restructuring of FAO headquarters, to be initiated in 2009 and pursued in 2010-11 for completion by 2012 (IPA actions 3.91 through 3.103). It included a tentative revised organizational structure at Headquarters, with broad agreement in principle on the “apex” features of a new organigramme. More detailed elaboration of the structure remained to be carried out, based on consultations between Members and Management. This had also to take account of the recommendations from the Root and Branch Review, which became available at the end of April 2009, and the finalization of the results frameworks in the draft Medium Term Plan.

47. Management submitted two analytical documents to the joint meetings of Working Groups I and III, with functional statements for the major units as well as clarifications in response to queries from Members. This work was undertaken with the understanding that consolidated proposals would be included in the PWB 2010-11.

48. This work was guided by the principles for restructuring, as outlined in paragraph 46 of the IPA, namely: ensuring manageable spans of control; consolidation of units and reducing silos; integration and representation of decentralized offices in senior management decision-making processes; flexible, delayed structures; effective development and use of human resources; management by results, delegation and accountability; cost-effective decisions on locations, and where possible sharing services with other UN agencies and outsourcing.

49. The new structure reduces to seven the number of direct reporting lines to the Director-General. A new executive management team will be led by the Director-General as chief executive officer and include the two Deputy Directors-General, representing the knowledge base of the Organization and the operational aspects of its work. This team will be more flexible, while having the responsibility, authority and functional scope to ensure that decisions on all aspects of the Organization’s work are enacted in a timely and effective manner.

50. The departmental structure under the apex takes account of functional analyses undertaken in 2009 and will be further informed by ongoing analyses and implementation of the IPA actions and RBR recommendations. The changes in the proposed departmental structure compared with the current organizational structure can be summarised as follows:

- a) The Knowledge and Communication Department and the Department of Human, Financial and Physical Resources will be abolished.
- b) A new Corporate Services and Finance Department will be established and progressively built over the biennium from: most of the Department of Human, Financial and Physical Resources Department (AF); parts of the Programme and

Budget Service (PBEP), specifically functions related to financial forecasting and expenditure performance against budget; and the Conference, Council and Protocol Affairs Division (KCC).

- c) The Technical Cooperation Department will eliminate the Field Operations Division (TCO). Some of the latter division's activities will be absorbed into a new Unit for Monitoring and Coordination of Field Activities, attached to the Office of the ADG and others will be carried out by an expanded Policy and Programme Development Support Division (replacing the former TCA).
- d) The Natural Resources Management and Environment Department will continue to focus on the sustainable use of natural resources, coordination of genetic resources for food and agriculture and environmental aspects, including climate change and the challenges and opportunities of bioenergy. The Research and Extension Division will be eliminated and its functions transferred to the Office of Knowledge Exchange, Research and Extension.
- e) The Agriculture and Consumer Protection Department, and the Economic and Social Development Department will retain their current divisional structures, while significant changes will be implemented below the divisional level by adopting more flexible modalities, facilitated by delayering.
- f) The Fisheries and Aquaculture Department and the Forestry Department will reduce the number of divisions from three to two, while keeping to their existing mandates.
- g) In response to a RBR recommendation aimed at reducing fragmentation and duplication, a single Chief Information Officer (CIO) Division, reporting directly to the Deputy Director-General Operations, will be responsible for delivery of Information Systems and Information Communications and Technology services.

51. The proposed Headquarters structure is illustrated in Figure 1, while details of posts and resources allocated to individual departments can be found in the PWB (included as Annex 4 to this report).

Figure 1: Headquarters Organigramme

TO COME

b) Decentralized Structure (decentralized offices staffing, location and coverage)

52. The CoC-IEE reiterated the importance of strengthening FAO's decentralized structure, recognizing that the success of the Organization depends on its ability to extend the knowledge it produces to the field to help countries address the challenges they face. In this context, it was decided to include resources for Member visits to Decentralized Offices (DOs) in the PWB 2010-11. In 2009, field visits by FAO Permanent Representatives have proved to be extremely useful in allowing Members and Governing Bodies to familiarize themselves with the work of the DOs. Such visits enable them to get a first-hand impression of the challenges these offices are facing to support countries in their developmental and humanitarian efforts, as well as understand the options and issues for improving the functioning of these offices.

53. As provided for in the IPA (actions 3.76 through 3.90), over the 2010-11 biennium a strong emphasis will be put on improving the coherence, performance and integration of the current Decentralized Offices (DOs) network and ensuring that the Organization functions as one.

54. The regional offices (ROs), working as appropriate with subregional offices (SROs), will progressively take on new responsibilities for: (i) overseeing the country offices, including the management of resources of the FAO Representations (FAOR) network; (ii) managing the non-emergency TCP programme in the respective regions; (iii) leading the strategic planning, programming and budgeting process for the region; (iv) supervising regional technical officers; (v) organizing and servicing the strengthened Regional Conferences; (vi) leading partnerships, particularly with regional organizations; and (vii) supporting country offices on matters dealing with UN reforms.

55. DOs will assume their new role in strategic planning and priority-setting at corporate and decentralized level. They will support the development of National Medium-term Priority Frameworks (NMTPFs) and (sub)regional priority areas. They will also take active part in the progressive formulation and introduction of Impact Focus Areas, including implementation of the associated resource mobilization strategy. Staff in DOs will be trained on results-based management concepts and a new system of operational planning, monitoring and reporting; and benchmarking will be developed and rolled out.

56. The initiatives taken by Management, within the authority of the Director General, to address in the short term the structural deficit in the budget of the Country Offices network were endorsed by the CoC-IEE. In line with the recommendations of the IEE, it was agreed to abolish the Lapse Factor for posts in the FAORs network. This will allow greater provision of resources for the FAORs budget and entail a reduction of the structural deficit. *[During 2010-11, the remainder of the FAOR network deficit will be covered by appointing Emergency Coordinators as Officers-in-Charge of FAO Representations (thus facilitating the link between relief, rehabilitation and development and the integrated budget approach being adopted); outposting of technical officers from regional offices as FAO Representatives; and placing current FAO Representatives against vacant posts in regional offices.]*

57. **Decentralization of OCD functions and the TCP.** As called for by the IPA, in the new PWB, TCP resources have been allocated to regions under the authority of the Regional Representatives (IPA action 3.22). Moreover, OCD's support functions vis à vis country offices have been transferred to the regional and subregional offices concerned (IPA action

3.95). The provisional resource allocations in the PWB 2010-11 resulting from these new arrangements may have to be adjusted during implementation.

58. The proposed decentralized structure is illustrated in Figure 2 while details of posts and resources allocated to the ROs and DOs can be found in the PWB (included as Annex 4 to this report).

Figure 2: Decentralized Organigrammes

TO COME

c) Human Resources Management

59. The IPA stated that “FAO’s human resources are the main asset of the Organization, providing the totality of its technical support to Member Countries” and outlined a series of actions to be undertaken in this area (IPA actions 3.59 through 3.75). In 2009, the CoC-IEE confirmed Human Resources (HR) as a key area for a successful reform of the Organization, urging Management to continue considering it as a priority.

60. Management developed, in consultation with Members, a Human Resources Management Strategy and Policy Framework⁵ which embodies three consolidated key HR goals, namely:

- (a) to enable a workforce of excellence and high performance;
- (b) to establish HR as a strategic partner in corporate management; and
- (c) to provide efficient and effective HR services in support of programme delivery.

61. Within these goals, six central HR initiatives underpinning the effective delivery of the goals have been identified. They consist of: Performance Evaluation; Management/Leadership training; Management Information Reporting; new HR Policies; support to restructuring; and streamlining initiatives.

62. The RBR in its final report made a series of recommendations on human resources management, which included: (i) a major shift in the HR function towards a “business partner” approach; (ii) a new accountability framework for the HR function; (iii) streamlining existing HR processes with a view to deriving greater efficiencies in the delivery of these processes; (iv) establishing new HR processes (such as HR strategy, HR Communication and HR staffing) that would strengthen the HR function and transform it into a more strategic function; (v) realigning the skill-mix and competencies of the professional staff in the HR function; and (vi) reinforcing managerial competencies.

63. The proposed integration of the accepted RBR recommendations into the HR Framework was endorsed by CoC-IEE, which noted that the three HR goals embodied in the Strategy Framework were consistent with Functional Objective Y (entitled “efficient and effective administration”) and its associated Organizational Results developed for the MTP 2010-13. The contribution of the underlying matrices of indicators and targets to enhancing Results-based Management was acknowledged. The CoC-IEE also recognized that the HR Management Strategy Framework was a ‘living’ document which would be revised and updated as necessary to reflect new, emerging HR initiatives and improvements.

64. The business partner approach envisaged with a view to transforming the HR function into a more strategic and advisory function was welcomed as well as the measures being undertaken to develop supporting tools such as the HR management information reporting system. Moreover, the importance of providing streamlined and effective HR services to improve operational efficiency and client satisfaction was stressed.

65. Given the fundamental role of the HR function in the effective management and renewal of the Organization, the Finance Committee, at its 128th session held in July 2009, called for strengthened collaboration with other organizations of the UN common system in

⁵ *Progress Report on Implementation of Human Resources Management Strategy and Policy Framework* (FC 128/9).

developing appropriate HR management policies, welcoming in this regard FAO's active participation in the UN Chief Executive Board's (CEB) Human Resources Network.

66. The modernisation of the HR function will be an intensive and continuous process over the next two biennia. Reform will take place in a phased approach with detailed results-based work plans with indicators of achievement and targets that enable measurement of progress and oversight, and which dovetail with other areas of IEE follow-up, including the Root and Branch Review and culture change in the Organization. Adequate attention should also be given to ensuring a balanced gender and geographical representation amongst the staff of the Organization.

67. Progress will be monitored by the Council through the Finance Committee which, in recognition of the importance of the HR function within the Organization, has reaffirmed that the review of the implementation of the HR strategy framework should continue to be a standing item on the agenda of its future regular sessions. With a view to strengthening its oversight of the implementation of the principal HR initiatives, the Committee also requested that the framework be complemented by regular progress reports on the implementation of each of the initiatives, and an assessment of the impact of completed activities, where appropriate.

d) Culture Change

68. The IPA stressed that "culture change is fundamental to the successful reform of FAO" and welcomed the establishment by Management of a Culture Change Team in a process led by the Deputy Director-General. In 2009, significant progress has been achieved in this crucial area. The CoC-IEE recognized the intensive work undertaken by the Culture Change Team which has led, through active participation of FAO staff, to the development of an internal vision, as called for in IPA action 3.31. Throughout the year, seminars with staff were organized at Headquarters and in the Decentralized Offices allowing the Culture Change Team to benefit from inputs from over 1000 staff. Thirty proposals for action were developed under the umbrella of *Recognition and Rewards*, *Career Development* and *Creating an Inclusive Work Environment*. In 2010, culture change activities will focus on the approval and implementation of these proposals, seeking close alignment and synergies with the Human Resource Division. Efforts to ensure the integration of culture change in the overall reform process as well as its long-term sustainability need to be actively continued across the Organization.

e) Organizational Risk Assessment and Management Framework

69. A strategy for improving FAO's approach to risk management was presented to the Working Groups by the Deloitte consultants and by the Office of the Inspector General. The proposed approach calls for an internally-led project supported by specialized risk management consultants as needed, rather than a consultant-led approach as included under the IPA (actions 3.49 through 3.54). The Finance Committee put particular emphasis on the importance of proper financial prudence throughout the Organization in line with recommendations of the IEE and the IPA and expressed satisfaction with Management's commitment to implementing Enterprise Risk Management, including mainstreaming risk management in the future performance evaluation system.

IV. THE WAY FORWARD

70. This Section will describe the next steps in the reform process, indicating areas where further work will need to be carried out as well as any possible follow-up mechanisms that could be required.

Annex 1

RESOLUTION 1/2008 - ADOPTION OF THE IMMEDIATE PLAN OF ACTION FOR FAO RENEWAL (2009-11)

THE CONFERENCE:

Reaffirming FAO's unique global mandate for food and agriculture and the Membership's continued commitment to achieving the World Food Summit objectives and the Millennium Development Goals;

Reaffirming the contribution FAO must make to this and in addressing hunger and poverty reduction, the expansion of agriculture and food production, high food prices, climate change, and the expected impact of the recent financial crisis on the investment in agriculture, as well as the challenges and opportunities of bioenergy.

Reaffirming in this context the necessity of FAO "**Reform with Growth**".

Welcoming the report of the Conference Committee on Follow-up to the Independent External Evaluation of FAO (CoC-IEE), including the Immediate Plan of Action (IPA), which provides a firm and realistic basis for FAO to significantly enhance its global relevance, efficiency and effectiveness in the service of all its Members.

Recognising the active participation of all Members and the unfailing support of the Director-General and management in the process, and **stressing** the need for the same spirit of partnership to prevail in the implementation and completion of the reform:

- 1) **DECIDES to approve**, for implementation, the Immediate Plan of Action for FAO Renewal (2009-11), including its annex, which forms in its entirety an integral part of this Resolution, which is given in Appendix E.
- 2) **DECIDES that amendments to the Basic Texts should be developed**, for approval at its 36th session in 2009, to give effect to the provisions of the Immediate Plan of Action, and having noted the report of the Committee on Constitutional and Legal Matters at its 83rd Session (September 2008), further decides that pending such amendments to the Basic Texts:
 - a) the Technical Committees of the Council will report to the Conference on global policy and regulatory matters and to the Council on programme and budgetary matters; and
 - b) the Strategic Framework, Medium Term Plan and Programme of Work and Budget 2010-11 will be developed as specified in the Immediate Plan of Action, with no requirement for a Summary Programme of Work and Budget.
- 3) **DECIDES** that implementation of the Immediate Plan of Action in 2009 requires funding by extra-budgetary contributions, and that its funding for 2010-2011 will be treated under the Programme of Work and Budget. In this connection, **URGES all Member Countries** to contribute extra-budgetary resources of a provisional amount of US\$ 21.8 million for 2009 to a special Trust Fund established for this purpose. For transparency, the Trust Fund accounts will be publicly available and oversight will be provided by the Council supported by the Finance Committee.
- 4) **DECIDES to establish** a time-bound **Conference Committee (CoC-IEE)** for the duration of 2009 under Article VI of the FAO Constitution for continued follow-up to the Independent External Evaluation of FAO, completing outstanding work within the Immediate

Plan of Action. It will finalise its report on suggested Basic Text amendments in June 2009⁶ and complete its final report by September 2009 for presentation to the Conference in November 2009.

5) This Committee will be open to full participation by all Members of the Organization. It will strive for transparency and unity in its work and will collectively decide its final recommendations to the Conference, arriving at its decisions to the maximum extent possible through consensus. The Conference Committee will undertake its work with the direct support of Working Groups and advice from the Council, Programme Committee, Finance Committee and Committee on Constitutional and Legal Matters as appropriate, without prejudice to the reporting of these Committees to the Council and their statutory functions. FAO management is expected to proactively support the Conference Committee and fully participate in its meetings and those of its Working Groups, providing timely documents for consideration.

a) The functions of the Committee, without prejudice to the statutory functions of the Council and its standing committees, will be:

i) to recommend to the Conference in 2009:

(1) the new Strategic Framework, Medium Term Plan 2010-13 and the Programme of Work and Budget 2010-11 proposed by management on the new integrated results-based framework;

(2) any changes found desirable in the size and regional representation in the Membership of the Council;

(3) further reforms of systems, culture change and organizational restructuring, including:

(a) Dynamic follow-up to the reports of the Root and Branch Review by management, including early actions,

(b) Initiation and review of the report of the study for an Organizational Risk Assessment and Management Framework,

(c) Plans for increased effectiveness of the decentralized offices,

(d) Detailed proposals for strengthened Human Resource management.

ii) to recommend to the Conference in 2009 necessary changes in the Basic Texts as provided for in the Immediate Plan of Action, providing policy oversight and guidance of the process of revision of the Basic Texts. This work will be carried out on the basis of the recommendations of the Committee on Constitutional and Legal Matters, which will be provided directly to the Committee, and will be reviewed by the Council as appropriate.

iii) to analyse the concept of “Reform with Growth” and submit proposals to the 2009 Conference.

b) The Conference Committee:

i) will establish three Working Groups to prepare inputs for its consideration on:

(1) the Strategic Framework, Medium Term Plan 2010-13 and the Programme of Work and Budget 2010-11,

(2) proposed amendments to the Basic Texts and any changes found desirable in the size and regional representation in the Membership of the Council, and

⁶ In order that proposals for changes to the Constitution may be despatched to the Membership 120 days prior to the Conference as specified in Article XX, paragraph 4 of the Constitution.

- (3) reform of systems, culture change and organizational restructuring;
- ii) may further establish additional time-bound working groups as required; and
 - iii) will appoint a Bureau consisting of the Chair and Vice-Chairs of the Conference Committee, one representative of Member countries per region and the Chairs and Vice-Chairs of the Working Groups, participating as speaking observers. The Bureau will address exclusively administrative and organizational matters.
- c) The Conference Committee modalities: the Working Groups will be made up of a Chair and Vice-Chair (or two Co-Chairs) appointed by the Conference Committee and will be open to all Members to fully participate with speaking rights. A maximum of three Member country representatives per region will be designated as spokespersons for their regions in each of the Working Groups. Meetings of the Bureau will be open to non-speaking observers from the FAO Membership as a whole. The work of the Conference Committee will be conducted in all languages of the Organization. Sessions of the Conference Committee, its Working Groups or Bureau will not be held in parallel with each other or in parallel with other major meetings of the Rome-based UN agencies, thus allowing the fullest participation of Members. The Chair of the Conference Committee and its Bureau and the Chairs of the Working Groups will ensure that aide-mémoires are available to the Members following each session.
- 6) **DECIDES to appoint as officers of the Conference Committee (CoC-IEE):** Prof. Mohammed Saeid Noori-Naeini as Chair and Ms Agnes van Ardenne-van der Hoeven and Mr Wilfred Joseph Ngirwa as Vice-Chairs of the Committee.
- 7) **DECIDES that the Council** will monitor the overall progress of follow-up in implementation of the Immediate Plan of Action and report to the Conference at its 36th Session in 2009 and its 37th Session in 2011. It will receive regular quarterly progress implementation reports from management for its consideration and advice. The Council will be supported in its monitoring during 2009 by the Conference Committee. It will also receive inputs from the Programme Committee, the Finance Committee and the Committee on Constitutional and Legal Matters in their respective areas of mandate, which may flexibly convene additional sessions as required.

(Adopted on 19 November 2008)

Annex 2

Bureau and Working Group Membership of the CoC-IEE, and Schedule of CoC-IEE meetings in 2009

Bureau and Working Group Membership of the Conference Committee (CoC-IEE) in 2009

Chairperson: Professor Noori Naeini (Independent Chairperson of Council)

Vice-Chairpersons: Ambassador van Ardenne (Netherlands) and Ambassador Ngirwa (Tanzania)

	Strategic Framework, MTP and PWB	Basic Text s and Membership of Council	Reform of Systems, Culture Change and Organizational Restructuring	Bureau
	Working Group I	Working Group II	Working Group III	
Chairperson Co-Chairperson	Vic Heard (UK)	Lamya Al-Saqqaf (Kuwait) Natalie Feistritzer (Austria)	Noel de Luna (Philippines)	Professor Noori Naeini
Vice-Chairperson	Horacio Maltez (Panama)		Rita Mannella (Italy)	Ambassador van Ardenne Ambassador Ngirwa
Africa	Cameroon	Angola	Ethiopia	Eritrea
	Côte d'Ivoire	Congo (Rep)	Gabon	
	Zimbabwe	Nigeria	Egypt	
Asia	China	Sri Lanka	Malaysia	Pakistan
	India	Indonesia	Thailand	
	Japan	Pakistan	Bangladesh	
Europe	Germany	France	Belgium	Sweden
	Poland	Russian Federation	Finland	
	Switzerland	Spain	Turkey	
Latin America and the Caribbean	Colombia	Argentina	Brazil	Brazil
	Paraguay	Brazil	Mexico	
	Venezuela	Dominican Republic	Venezuela	
Near East	Egypt	Jordan	Oman	Afghanistan
	Iran	Syria	Sudan	
	Afghanistan	Egypt	Libya	
North America	Canada	Canada	Canada	USA
	USA	USA	USA	
South-West Pacific	Australia	Australia	Australia	Australia
	New Zealand			

