

Headquarters Restructuring

Background

1. The Immediate Plan of Action (IPA, document C 2008-4, actions 3.91 through 3.103) called for a comprehensive restructuring of the FAO Headquarters organizational structure. In the CoC-IEE report to the 2009 Conference (document C 2009/7), the Members noted that the comprehensive programme of Headquarters restructuring should, in accordance with the IPA, be refined through 2012.
2. The principles and processes to be followed in the implementation of the new headquarters structure were presented to the FAO Conference in the CoC-IEE's 2008 report entitled 'The Immediate Plan of Action for FAO Renewal'. The restructuring exercise was guided by the principles outlined in paragraph 46 of the IPA, which called for: (i) ensuring manageable spans of control; (ii) consolidation of units and reducing silos; (iii) integration and representation of decentralized offices in senior management decision-making processes; (iv) flexible, delayed structures; effective development and use of human resources; (v) management by results, delegation and accountability; (vi) cost-effective decisions on locations, and (vii) where possible, sharing services with other UN organisations and outsourcing.
3. This paper provides Members with a progress report on the implementation of the headquarters restructuring exercise as approved by the 2009 Conference through the adoption of the report of the CoC-IEE and the PWB 2010-11.

Framework of Restructuring and Structural Changes Realised

4. The proposed revised Headquarters structure was presented in the Programme of Work and Budget for the 2010-11 biennium and its implementation began in January 2010. An IPA project was established to ensure adequate coordination of the large number of financial, administrative, HR and IT processes to be affected by the restructuring. It took about 8 months to implement new organizational codes, transfer some 2600 positions from the old to the new structure, update information technology systems and facilities, and re-accommodate staff in their new office space. The new structure has been established and is now fully operational.
5. The impact of the new structure on the Organization's approach to executive management, the progress attained towards the realisation of the principal guidelines underpinning restructuring and the resulting changes to both the apex structure as well as the organisational design of administrative functions, are outlined below.

Executive Management and the Apex

6. Pursuant to the findings contained in the report by Ernst & Young on the apex structure of the Organization (March 2010), a new executive management team (Executive Leadership Team - ELT) was established in January 2010 and meets regularly. The ELT is led by the Director-General as Chief Executive Officer and includes the two Deputy Directors-General, and ADG/Directeur de Cabinet.
7. In addition, the Organization has instituted measures aimed at ensuring the systematic involvement of Decentralized Offices in the executive decision-making process. Such measures have comprised *inter alia*: the participation of Regional Representatives in senior management meetings; the convening of regular dedicated operational meetings between Regional Representatives and headquarters departments led by the Deputy Director-General (Operations); and periodic thematic meetings between the knowledge and operational sectors of FAO, including participation from decentralized offices, mainly via video links.

Headquarters Restructuring

8. These measures have been coupled with the further decentralization of responsibilities to Regional Offices and corresponding increased delegation of authority as well as transfer of resources from headquarters. Moreover, the establishment of a smaller and renewed Office of Support to Decentralization (OSD) has ensured support in assisting the DDG Operations in undertaking the requisite oversight role over Decentralized Offices and the provision of the required guidance. With a view to reinforcing effective decentralization, measures were also taken to ensure a better integration of staff in Decentralized Offices within the Organization's accountability structure¹. While these reform measures are aimed at directly addressing one of the IPA guiding principles (namely 'integration and representation of decentralized offices in senior management decision-making processes'), they are currently at an early stage of implementation and their full impact will only emerge over time.
9. In recognition of the importance of corporate communication as well as strengthened relations with external partners, the Office of Corporate Communications and External Relations (OCE) has implemented a number of changes to maximise the delivery of its objectives and improve efficiencies. In this respect, the Office has consolidated its activities on content production and rationalized its activities on UN Relations, the MDGs, Rome-based collaboration and the IPA partnership project.
10. The Office of Strategy, Planning and Resources Management and Resource Mobilization (OSP) and the Policy and Programme Development Support Division (TCS) are currently working along the lines of the OSP and TCS functional statements and are coordinating and making progress on the development and implementation of the FAO Corporate Resource mobilization strategy². Regular interactions between OSP and Regional Offices have been enhanced to ensure better integrated planning
11. The Office of Knowledge Exchange, Research and Extension has made progress in achieving synergies among the various functions under its responsibility, integrating the technical specialties of each of its Branches which has led to the formulation of corporate strategies on Knowledge and Information Management and on Capacity Development. These strategies support application of the related FAO core functions by all FAO units for the benefit of Members. Coordination among various services of the Division is enforced to work together to facilitate the dissemination of and access to information and knowledge, utilizing both the traditional and electronic publishing expertise of these units; to act as conduits to transfer information, knowledge, better practices and lessons learnt within FAO to assist member countries to strengthen national research and extension systems, and to implement e-learning, communication for development and education programmes, reinforcing FAO as a knowledge organization. OEK also provides the liaison to the GFAR³, the ISPC⁴ and the CGIAR⁵, enabling OEK to adjust FAO corporate strategies as needed.
12. An Ethics Officer has been appointed and located administratively in the Legal Office. The new Office of Evaluation operates according to its new Charter approved by Council with a direct reporting line to Governing bodies.
13. One of the recommendations emanating from Ernst and Young's review of the Director-General's office advocated for the establishment of an HR Committee to ensure adequate management oversight of corporate human resources. Such a committee has now been established with a mandate of ensuring that the Organization is appropriately investing in, mobilising and empowering its human capital in support of the effective delivery of its defined programmes, goals

¹ JM 2010.2/5

² JM 2010.2/4

³ Global Forum on Agricultural Research

⁴ Independent Science and Partnership Council

⁵ Consultative Group on International Agricultural Research

Headquarters Restructuring

and strategies. The HR Committee will advise the Director-General, *inter alia*, on the implementation of new corporate HR strategies and policies, subsequent to consultations being conducted with internal stakeholders.

Corporate Services and Chief Information Officer Division

14. In line with the findings of the Root and Branch review conducted by Ernst and Young, a number of actions were taken to refine the Corporate Services structure and functions and to improve Information Technology (IT) governance. These actions included the following:

- As recommended by Ernst and Young, proposals were developed to reduce the number of IT Committees in order to promote a more efficient governance structure of IT/IS in the Organization. The information systems requirements of departments and decentralized offices are addressed consequently through the close interaction of an IT/IS officer who is entrusted with reporting directly to the Chief Information Officer (CIO) Division, whilst working closely with the unit in which they are deployed.
- The CIO division is actively leading the development of a new corporate IT Strategy for the 2012-2015 period to improve the mechanism for identification and prioritization of IT areas of investment, and as a framework to support the strategic alignment between IT and the Organization's substantive programme. The IT Strategy has been driven by the managers of the knowledge and operational programmes across the Organization, with particular attention to the Organization's Regional, Sub-regional and Representation levels. The CIO division is also leading the development of new streamlined IT Governance arrangements to improve the effectiveness of internal governance in this area of major Organizational investment. Both initiatives are planned for completion within 2010.
- The headquarters segment of the Shared Services Centre (SSC) has been eliminated as a result of the transfer of functions to the SSC hub in Budapest (as well as the transfer of the position of Chief, SSC to Budapest), while other functions (such as management of travel policy and payroll) have been reassigned to other headquarters divisions.
- A new Business Improvement Unit (BIU), responsible for streamlining and process improvement, has been established within the department of Corporate Services. The BIU is currently formulating a corporate communication strategy to improve, *inter alia*, the quality of information dissemination on corporate services policies, rules and regulations.
- A Records Management Modernization Project has been formulated with the scope of modernizing four aspects of FAO's records management: policies, procedures, technology and support arrangements. Regarding this latter area, the project has analyzed and confirmed the extent to which the current departmental model for registries and records management can be improved and how such improvements might also help in breaking down "information silos". Initiatives are underway to develop proposals for the deployment of registry staff on a corporate, rather than departmental, basis for the management of records in specific operational areas. The measures are being considered in cases where such an approach would promote interdisciplinary and global sharing of information as well as require fewer resources. As foreseen in the IPA, it is expected that these proposals will be reflected in the PWB 2012-13 and at least partially implemented within the current biennium.

Delaying and impact on structures

15. The delaying initiative, which was launched in the 2008-09 biennium, led to the abolition of a total of forty director-level positions (13 in 2008-09 and 27 in 2010-11). The delaying of 27

Headquarters Restructuring

director-level posts for the biennium 2010/11 has been completed and, where required, alternative assignments or solutions have been identified for all incumbents concerned.

16. The restructuring undertaken within the framework of the delayering initiative sought to encourage new approaches in organizational structures. It has had a direct impact in promoting 'team work' in some Divisions. By departing from fixed structural entities at the sub-divisional level and promoting the emergence of new organizational models, delayering has aided the Organization to embrace several of the guiding principles in its restructuring exercise. Notably, delayering has allowed for the adoption of functional, flexible and flatter organisational structures through the consolidation of units, whilst ensuring manageable spans of control, contributing to the reduction of silos and helping create a more empowered and enabled working environment that is conducive to management by results, delegation and accountability.
17. In this connection, it is noted that the Plant Production and Protection Division (AGP) and the Economic & Social Development Department (ES), whose piloted team structures were first assessed in October 2009, have charted a new course in team roles. In those organisational entities, programme management roles are shared between the Division Director (typically D2 level) and the remaining D1 position (now cast in the role of Principal Officer) and the segmentation of multi-programme Services into more discreet and flexible team structures.
18. The structure of Services anticipated multiple programme areas under the D1 managerial direction. The removal of the Service structures has dispelled this model and authority and accountability has been devolved to teams. P5 Team Leads coordination functions have been expanded which call for specific sets of skills. These new models also call for a re-organization and re-definition of support staff work.
19. Particularly noteworthy is the fact that these organisational entities have invested in change management processes, notably through the establishment of 'Guiding Teams' or 'Change teams' which have supported the process and have been instrumental in ensuring an adequate level of engagement and consultation within the entities concerned.
20. Job design workshops were conducted in April and May 2010 to assist those entities to further refine their models and adjust their structures. As a result of these activities, new job profiles are currently being formulated in AGP for all categories of staff to reflect the new team relationships and provide a simpler and up-to-date definition of responsibilities.
21. Other departments within the Organization have adopted a more classic divisional structure, with a management team composed of the Director (D2), the Principal Officer (D1) and branches headed by P5 staff members. Other divisions have maintained a service structure where possible.
22. It is envisaged that the remainder of the current 2010-11 biennium will be devoted to refining structures which are at different stages of their restructuring transition and to providing more concrete and consistent definition of work in support of the technical delivery. This work will build on the lessons learned from the AG and ES pilot exercises, taking into consideration the processes followed and the tools developed to support the establishment of these new structures.

Impact of the Restructuring Exercise

23. Overall, the restructuring exercise has revealed to date the potential benefits that could be derived from a more flexible organisational structures. Flatter structures do in principle lend themselves to the consolidation of multiple functional units into a more streamlined and flexible organisational designs. They consequently can contribute to greater cross-structural collaboration and thereby reduce the silos that had characterised former structures and undermined their inter-disciplinary functioning. The restructuring exercise conducted has been heavily guided by the IPA principles

Headquarters Restructuring

and objectives, and in this respect the Organization has focused on ensuring that the revised organisational structures encompass manageable spans of control and support effectively the management by results approach as well as greater delegation on the principle of subsidiarity and the promotion of accountability amongst staff.

24. Inter-departmental Strategy Teams have been set up to guide the implementation of the Organizational Results. The Strategy Teams are intended to bring to bear specialized staff and non-staff resources across organizational boundaries to address such cross-cutting issues as food security, rural development, sustainable management of natural resources and climate change adaptation.
25. The Organization has achieved tangible progress in terms of the integration and representation of decentralized offices in senior management decision-making processes. It also continues to strive towards identifying potential areas where services could either be shared with other UN organisations or outsourced.
26. Notwithstanding the foregoing, it should be underscored that, since the implementation of the revised structure has only been completed in August 2010 and restructuring is an on-going process with the above-mentioned pilot exercises on novel divisional structures, a true assessment of the impact of the restructuring exercise can only be effectively measured at the end of 2012, as envisaged in the IPA timeframe.