

Vision on Structure and Functioning of FAO's Decentralized Offices Network

A. Introduction

1. In 2009, the FAO Conference endorsed the request which emerged from CoC-IEE discussion on Action 3.84 of the Immediate Plan of Action (IPA) for Management to “prepare a medium to long-term vision related to the structure and functioning of the Decentralized Offices (DOs) network, taking account of the IPA actions on decentralization”. The Conference also requested a consultation process with the Regional Conferences (RCs). In line with this, a document “Towards a New Vision for the Decentralized Offices Network” that included recommendations on structure and functioning, was presented to the five RCs held over the course of 2010. The Joint Meeting of the Programme and Finance Committees also reviewed progress on decentralization at its meeting on 27 October 2010 and re-iterated the request to Management to present to the Programme and Finance Committees, as well as the CoC-IEE, a comprehensive vision of the effective and efficient functioning and benefits of FAO's DOs network, reflecting IPA actions on decentralization and any other pertinent initiatives being taken. This request was endorsed by the Council at its 140th session in November-December 2010.

2. Section B of the current document includes a summary of the views of the RCs on the topic of decentralization and on the overall vision of the structure and functioning presented to them. Section B also presents a high-level vision for the global network of offices. Section C then provides an overview of the benefits from actions being implemented under the IPA, with an assessment of the emerging gaps, challenges and risks, and Section D considers some strategic actions, grouped into four major areas. Section E concludes seeking guidance from the Members on the vision, as well as on some strategic actions.

B. An Overall Vision for the Decentralized Offices Network

The Outcome of the Discussions in the Regional Conferences

3. The work done in the area of decentralization, as well as the document “Towards a New Vision for the Decentralized Offices Network”, was presented to the five RCs where it generated substantial discussion. A summary of the discussions by the RCs on decentralization is provided in Attachment 1. In general, the RCs agreed with, and appreciated and supported, the work done so far in the area of decentralization. The RCs for Africa and for the Near East also endorsed the overall vision, including the proposals on the structure and functioning, as presented to them.

4. **Country Coverage.** With regard to the country coverage through FAO Representations, the RCs highlighted the importance of FAO's country presence. The RCs for Africa, for Asia and the Pacific, for Europe and for Latin America and the Caribbean requested that such presence be further extended and strengthened. The RCs for Latin America and the Caribbean and for Africa also expressed the view that the criteria for the review of country offices, as set out in the IPA, were not practical. The RC for Africa further requested that the special needs of their region be considered, stating that multiple accreditation of FAO Representatives would not be suitable in Africa. The RC for Latin America and Caribbean also requested that FAO maintain a country presence whenever necessary and requested by the government in question, and that the option of sharing offices with other UN Programmes and Agencies be appraised, stressing that it should not affect the Organization's mandate or programmes.

5. **Structure and Functioning of the DOs Network.** The RCs highlighted the need for further strengthening of the technical capacity of DOs. The RC for Asia and the Pacific also suggested enhancing the capacity of DOs to provide timely response to emergencies and disasters as well as address investment issues; develop effective linkages within the Organization as well as with

governments, UN system organizations and development partners; and maintain effective linkages between DOs and headquarters staff. Some of the other key points on structure that emerged from the RCs in 2010 are: strengthening of the DOs network which includes enhanced capacities in Regional and Subregional Offices; adjustments in the co-located Regional and Subregional Offices set up in Santiago and Budapest¹; and opening of new Country Offices.

The Overall Vision

6. Based on the general feedback from the RCs, the overall Management vision is:

FAO, functioning as one, with DOs an integral part of the Organization, is a world-wide provider of high quality policy advice, information, support for capacity development and technical services on food and agriculture.

The primary building block for FAO to be the premier worldwide provider of services in its area of mandate is a strong and responsive country-office-centered network that provides timely and effective support to Members by drawing on the technical expertise in subregional, regional and headquarters (HQ) units, as well as from partners and Members themselves. From this perspective, action may be considered in four major areas related to structure, staffing, operations and funding as summarized in Chart 1.

C. Progress on Decentralization and Emerging Issues

7. Over the last several years, efforts have been made to establish a DOs network² that is suited to the needs of Members. FAO's field programme has increased significantly to reach USD1.2 billion in the 2008-09 biennium with funds coming predominantly from voluntary contributions and mostly for national-level projects - see Tables 3-7 in Section II that provide data for the field programme, and on the sources of funding from the Regular Programme and from voluntary contributions between 2004 and 2010. The strength and relevance of FAO's DOs network has also improved in response to an increased level of activities at country level. Developmental activities are being increasingly undertaken by the DOs, mostly at country level – see Tables 8 and 9 in Section III that provide data on the level of extra budgetary resources being operated by DOs. The coherence and relevance of the work of the DOs with national needs and priorities has been improved both by internal processes, such as better planning through the National Medium Term Priority Frameworks (now renamed Country Programming Frameworks)³, as well as by closer working relations with partners, particularly UN partners at country and regional level⁴. The process of decentralization has accelerated with the start of the IPA with most of the actions specifically related to decentralization having been completed or currently being implemented. The key actions completed include full involvement of the Regional Offices in decision-making in policy and programme matters; transfer to the Regional Offices of the supervision of Regional Technical Officers and FAO Representatives; decentralization of decision-

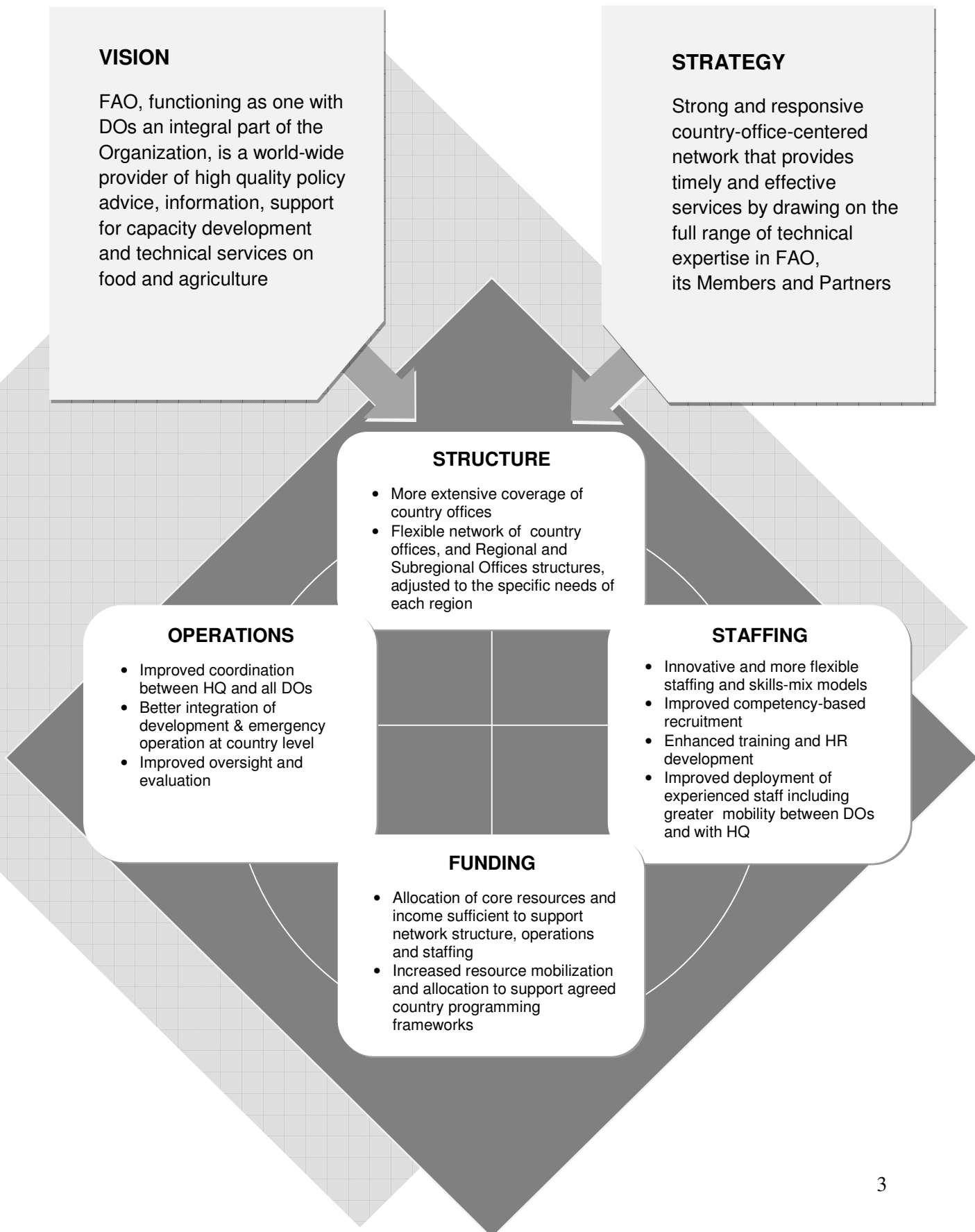
¹ The recently completed independent evaluation of the Regional and Subregional Offices in the Near East is proposing the same for the office in Cairo, Egypt.

² Information on the DOs network, including structure, staffing and regular programme resources is provided in Tables 1 and 2 (Section I).

³ Further improvements are being made in this process following the independent evaluation of country planning; the UNDAF Guidelines; and the country-level work planning pilot.

⁴ FAO has been actively participating in the UN Reform at HQ level; at regional level through the UN System Regional Management Teams; and at country level, particularly in the eight Delivering as One pilots as well as in the several "self starters".

Chart 1: Functioning as One FAO



making on the TCP; increased delegation of authority to DOs in the areas of procurement, human resources, etc.; full integration of DOs staff in the results-based management system; increased training; and improvements in ICT systems which will allow better communication and extended use of web-based corporate systems in DOs. The major IPA actions directly related to decentralization that are still under implementation relate to Benchmarking (Action 3.88), which is currently under discussion for final design, and preparation of a revised competency profile (Action 3.87) for staff in DOs. Both these actions are expected to be completed in the course of 2011 with implementation to be started in 2012/13.

Benefits

8. The actions undertaken under the IPA in support of decentralization are contributing to FAO functioning as one, with improved planning and coherence of the Organization's work in support of Members and greater involvement of DOs in all aspects of strategic policy-making. Some of the benefits that can already be seen include:

- Greater reflection of the needs and priorities of Members in FAO's policies, programmes and projects. This is a result of the increased and more systematic involvement of DOs in senior level policy- and decision-making; delegation of authority on TCP; an enhanced role of DOs in resource mobilization and partnerships; and more focus on priority setting at country, subregional and regional level, including a much expanded role for the RCs.
- A more integrated and cohesive corporate workforce. This is the result of the incorporation of staff in DOs in the Organization's accountability structure and the requirement to participate in work planning and in the Performance Evaluation and Management System (PEMS); introduction of a rotation and mobility policy; an increased training effort; and culture change initiatives at HQ and in the DOs.
- A more responsive and efficient DOs network as a result of a higher level of delegated authority, particularly in the areas of human resources management and procurement of goods and services.

9. Other benefits in terms of greater efficiency and effectiveness are expected to emerge over time, including those resulting from the transfer of functions from HQ to the Regional Offices for the management of technical officers and FAO Representatives. These additional benefits will, together with others activities of the IPA, such as Culture Change and RBM, enable FAO to progressively work in a more fully decentralized way in line with the overall vision for the DOs network.

Gaps, Challenges, Risks and Issues

10. A large scale change process, such as the one launched under the IPA, cannot be implemented without revealing a number of gaps, challenges and risks. The most important of these, as currently perceived by Management, relate to:

- How to determine the optimal scale and scope of the Country Offices network. There is growing consensus, as reflected during discussions in the RCs on the need for strengthening of the DOs network, including the establishment of new Country Offices.
- How to ensure an adequate level and allocation of core resources and income to support the DOs network structure, operations and staffing in line with their expanded responsibilities. This is critical to providing the enabling environment for delivering policy advice and technical services, and mobilizing resources, to address the agreed priority areas of action including those identified in the Country Programming Frameworks (CPFs).
- How to ensure that decentralization, which is mainly focused on the five Regional Offices, does not result in fragmentation of the Organization, creating five "regional FAOs" having divergent

approaches and applications of corporate policies; limited mobility of staff among regions; and different methodologies and processes in dealing with Country Offices.

- How to ensure that decentralized technical officers, who are now under the direct supervision of the Regional Representatives, remain closely linked to their technical colleagues in HQ, as well as to those in other DOs, and are able to draw on the full technical knowledge of the Organization in providing support to projects and programmes, as well as policy advice.
- How best to reap the synergies between “development” and “emergency” programmes. A more integrated approach to these two major areas of FAO’s work would ensure smoother implementation, ensure that FAO’s technical know-how is fully mobilized for short-term interventions, and also facilitate a more effective transition from relief and rehabilitation to longer-term development.

D. Areas of Action to Address Gaps, Challenges and Risks

11. As mentioned above, implementation of the vision would require that the actions be considered in four major areas related to structure, staffing, operations and funding.

Structure

12. The structure of the DOs should ensure that all parts of the Organization (HQ and DOs) function as one, and that assistance to Members draws on the full range of technical expertise available in FAO, its Members and Partners. FAO currently has a multi-tiered structure for providing services which include HQ, Regional Offices, Subregional Offices, Country Offices, and programmes and projects at field level. The mandates for regional, subregional and country offices are provided in Attachment 2.

13. However, there are significant differences among regions. For example, the Africa region has the most comprehensive structure with a Regional Office, four Subregional Offices, and 41 country offices. In contrast, the Asia and the Pacific region has one Subregional Office, while Europe does not have fully fledged Country Offices. As no one-size fits all, decisions on structure have to be taken by Members.

14. Some issues need additional review by Management including further fine-tuning of FAO’s Country Offices network with the introduction of measures such as cost-sharing agreements, in particular by middle-income countries; project-type, time-bound, representational agreements; a greater use of UN system country offices; and enhanced use of multiple accreditation, with a concurrent strengthening of the national staff, as necessary, in the relevant Country Offices. A review is also needed of the current practice of covering some countries by outposting/seconding technical officers from Regional or Subregional Offices/Multidisciplinary Teams (MDTs), or placing FAO Representatives against posts in Regional Offices.

15. Some of the options that Members, meeting in future RCs, could consider are:

- The establishment of a structure of DOs that is best suited to the specific needs of each region. This may include consideration of a structure with fewer layers between the country level, where the bulk of the work is performed, and the main repository of global technical excellence, which rests with the HQ technical divisions.
- A further strengthening of the Subregional Offices/MDTs to be achieved by refocusing the Regional Office’s work on regional policy and strategic issues.

Staffing

16. FAO's effectiveness depends critically on the quality of staff, particularly staff that work with Members at country level. In order for the Organization to fulfill its mandate, it is essential that the DOs network be staffed with experienced and skilled experts who are able to draw upon the full range of technical expertise available in FAO, its Members and Partners. Important actions to ensure the highest quality of staff, such as improved training, mobility and rotation policies are being introduced. A review of the competency framework for the Organization, including for heads of DOs, is currently being carried out which will pave the way for improved competency-based recruitment and staff management. However, there may be a need for the management to explore further options including:

- Ways to provide greater flexibility for Regional and Subregional Offices with regard to overall staffing levels, as well as the skill mix. These should be consistent with the priority setting process at country, subregional and regional levels. Options could possibly include the introduction of "core" and "non-core" staff categories for the positions of members of the MDTs. Such practices, particularly "assignment for limited durations" for non-core staff, have been introduced in some other UN organizations.
- Innovative ways to strengthen DOs' human resources, such as national experts, junior professionals, volunteers and South-South Cooperation experts. The Organization already has a number of agreements with Universities and Research Centers and this modality has the potential of being expanded considerably.

Operations

17. FAO has a large network of DOs with presence in over 130 countries. Unity of purpose and practice across all parts of the Organization is essential to avoid overlap, fragmentation, duplication and working at cross-purposes. In order to do this, a major effort has been made to prepare an overall strategic framework and a medium-term plan which set out the goals and objectives towards which all parts of FAO need to work. Results-based management and PEMS, which are being extended to all parts of the Organization, will play a key role. Other critical ongoing initiatives include the changes in planning and priority setting, the knowledge management efforts, capacity development initiatives, and improvements in ICT and information systems that have resulted in increased interactions between DOs and HQ.

18. Some other areas to be reviewed by Management in order to ensure further improvements include the following:

- Better coordination to ensure that decentralization does not result in fragmentation, where the DOs and the five regions work independently of HQ and of each other. The monthly Operational Arm Meeting, chaired by the Deputy Director-General Operations, is already playing an important role in this regard. Further improvements in central oversight and coordination could be considered.
- Strengthened planning particularly to ensure that the priority setting effort at Regional and Subregional level takes full account of country plans.
- Further improvements in ICT aimed at allowing DOs, wherever possible, to make full use of corporate systems related to finance, administration and knowledge management.
- How to better integrate the Organization's emergency and development programmes at country level. This could include, in the short-term, greater synergy between emergency operations and FAO Representations. Over the medium to longer term, the issue of leadership for coordinating all

programmes in the country would need to be considered, with a view to ensuring optimal synergy, efficiency and effectiveness, while ensuring the necessary flexibility.

Funding

19. With greater decision-making, implementation and operational responsibilities being given to the DOs, additional resources will be required to ensure their operations and necessary staffing. Without such resources, funds may be diverted from technical support to administration, management and oversight. This is particularly a risk in Regional Offices which have taken over a number of such operational responsibilities and support services from HQ. In addition, at country level the preparation and launching of the CPFs, particularly in the context of a more joined-up UN system effort will need resources. For decentralization to work effectively, it is critical that the resources issue be addressed by a balanced approach that includes core resources, as well as increased resource mobilization and income generation by DOs.

20. Some options, that Members and Management need to jointly consider, are:

- The further integration of Regular Programme and extra-budgetary resources at DOs level which would allow the size, structure and composition of these offices to match the specific requirements of the programme.
- Increased resources from extra-budgetary projects to DOs, through improved project budgeting and financial management which aim at fully recovering from projects and programmes all related costs incurred at country level.
- Further mobilization of local financial resources by DOs in general, and country offices in particular, from donors, regional and subregional organizations/institutions, and the private sector.

E. Guidance Sought

21. In overall terms the work on decentralization, particularly the implementation of the IPA, has been progressing satisfactorily and this has been acknowledged by all RCs. However, emerging issues, challenges and risks need to be addressed if the DOs network is to efficiently and effectively provide support to Members. In moving forward, Members may wish to provide guidance on the vision, strategy and areas of major actions as set out in this document. In addition:

- Governing bodies, including RCs, could provide further guidance on the overall structure of the DOs network and on the relative roles of the Regional, Subregional/MDTs and Country Offices in supporting Members. This would provide the basis for continued discussion by Management on this topic.
- While efforts will continue to improve efficient use of resources and mobilize extra-budgetary resources, the allocation of core resources and income may need to be revisited in order to provide sufficient funding to support the structure, operations and staffing of the DOs network. Members may wish to revisit the issue of the allocation of Regular Programme resources between HQ and DOs. Donors, in particular, may also support better recovery of costs by the DOs for managing projects and programmes.