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Decentralized Offices Network

Executive Summary

The decentralization process received significant institutional support from member countries during the 39th Session of the FAO Conference, resulting in a request to review FAO's Decentralized Offices worldwide. A document (CL153/14 Rev.1)¹ was duly prepared, which has subsequently been reviewed, discussed and endorsed by the Joint Meeting of the Programme and Finance Committees, as well as by the Council. Both bodies recommended that the document be reviewed and discussed during the Regional Conferences, in order to be finally reviewed by the Council during its session of June 2018.

Suggested action by the Regional Conference for Europe

The Regional Conference may wish to:

- Support the proposed principles and general criteria for reviewing FAO's decentralized network coverage through the adoption of flexible arrangements;
- Recognize the need to review FAO's global coverage to direct more effective support to Members with particular regard to countries facing serious economic and social challenges;
- Welcome the review of country office staffing models to increase flexibility and to adjust to the emerging needs of the countries;
- Acknowledge efforts made by the Organization in the region to strengthen national and international partnerships with key stakeholders for more effective normative and field support;

¹ <http://www.fao.org/3/a-mo696rev1e.pdf>

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Other documents can be consulted at www.fao.org*



ERC 3.1

- Appreciate the strong focus and work of the Organization at country level though achievements highlighted in the celebration of the 40th anniversary of many FAO Representations in the region;
- Welcome the 40th anniversary initiative as an opportunity to renew the Organization's commitment to its long-term presence in the field while assuring flexibility, efficiency and a high level of technical capacity;
- Underline the continuing need to prioritize partnerships and resource mobilization at the decentralized level, with emphasis on South-South and Triangular Cooperation and still closer collaboration with Rome-based and other United Nations (UN) agencies.

I. BACKGROUND

1. The Council, at its 153rd session, requested that the Independent Review of Decentralized Offices Network be reviewed by the 2016 Regional Conferences. All Regional Conferences welcomed the document and supported the proposed principles and general criteria for reviewing the coverage of FAO offices.
2. Taking into account the views of the Regional Conferences and of the May 2016 Programme and Finance Committees, the 154th Session of the FAO Council:
 - recognized the need to update the coverage of FAO's Decentralized Offices in a flexible manner and with no increase in the overall decentralized network budget. In addition, it supported the principles and the criteria to be applied in a region-specific manner as identified by the Independent Review of Decentralized Offices Network;
 - endorsed the region-specific recommendations arising from each of the 2016 Regional Conferences, including the creation of new offices or support for the strengthening of existing capacities on a cost-neutral basis, ideally on a cost-sharing agreement with the host government concerned;
 - endorsed the creation of a separate Subregional Office for West Africa (SFW), preferably based in a Francophone country, and a Subregional Office for Mashreq Countries (SNM) in Lebanon;
 - supported the use of "Partnership and Liaison Offices", as well as "Multiple Accreditation" offices (with the FAO Representative located in another country); and
 - encouraged the Director-General to continue efforts to consolidate decentralization and enhance capacity and internal control at decentralized locations, while maintaining the technical capacity at headquarters and in decentralized locations to achieve the delivery of the programme of work.
3. In July 2017, the 40th Session of the FAO Conference endorsed the main findings of the Report on the Independent Assessment of the Technical Capacity of the Organization that was conducted in 2016 with the following recognitions and recommendations. The Conference, amongst others:
 - i) appreciated the increase in technical capacity of the Organization from 2012 to 2016, both at headquarters and in the decentralized locations, in spite of a flat nominal budget level and overall decline in the number of positions in the period under review; and
 - ii) welcomed the suggestion for greater collaboration between FAO, the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) on administrative areas, for cost-reduction and efficiency, and to leverage FAO's pre-eminent position as a repository of technical capacity;

4. The 158th Session of the FAO Council (December 2017) endorsed the updated organizational structure and noted that further budgetary transfers could arise as a result of guidance from the Regional Conferences, further work planning and from the most efficient modalities of implementation during the biennium.

II. COMMON ACHIEVEMENTS TO THE FIVE REGIONS

5. As noted in the Programme of Work and Budget 2018-19, the Secretariat has embarked on a review of the scope and modalities of country coverage in each region in line with the guidance of the council at its 154th session in May-June 2016.

6. The current country office staffing models are not well aligned to countries' needs. In particular, the very high share of resources dedicated to staff costs in the FAO Representations' network net appropriation budget limits the Organization's flexibility to adjust to emerging needs and invest in evolving expertise requirements. Therefore, during the biennium the Secretariat will progressively adjust the modalities of country coverage and take measures to increase flexibility in the use of the budgeted resources. To achieve this, a streamlined country office staffing model will be gradually introduced based *inter alia* on the size and relative complexity of the country programme including voluntary contributions and partnerships. Over time, this approach will allow net appropriation resources to be reallocated within the country office network budget of each region on a cost-neutral basis, according to country-specific and emerging needs and priorities (such as Low-income Food-deficit Countries [LIFDCs], Low- and Lower Middle-income Countries, Small Island Developing States [SIDS]). Priority will be given to investing in technical capacities, partnership building, outreach, and South-South and Triangular Cooperation.

7. In order to match the size of the FAO Country Offices and their resource allocation with the level of needs and country contexts, negotiations are ongoing with some countries with limited programme or low delivery, to change from Fully-fledged to Multiple Accreditation representations. A first agreement was signed with Costa Rica in 2017. For those countries that have higher delivery rates, negotiations are ongoing to change from Multiple Accreditation to Fully-fledged Country Offices or from no presence to Multiple Accreditation on a cost-neutral basis. Partnership and Liaison Offices (PLOs) are being negotiated with interested middle- and high-income countries. A new PLO was established in Mexico in October 2017, raising the total number of FAO PLOs to six.

8. To further strengthen technical support to member countries, the new SNM is being established in Beirut, Lebanon, with the agreement of the Government of Lebanon to host this office. The SNM Multidisciplinary Team, to be fully covered by extra budgetary resources, will include experts in the areas of policy, resilience, climate change, plant protection, agro-industries, and rural organizations and extension. The Subregional Coordinator position, shown in the SNM budgeted post establishment, is a transformation of the original FAO Representative position in Lebanon. The new Subregional Office for West Africa (SFW) is expected to be established in early 2018. The exact composition of the SFW Multidisciplinary Team is still under discussion, but will be established through a combination of post transfers from the Regional Office for Africa (RAF) which currently covers the functions for the subregion, and posts funded under the Host Country Agreement. The Subregional Office for the Gulf Cooperation Council States and Yemen (SNG) is being strengthened following additional support from the Government of the United Arab Emirates. The new Multidisciplinary Team of SNG will provide expertise in the areas of economic and social development, plant production and protection, water management and irrigation, fisheries and aquaculture, and livestock development.

9. In addition, the programming and implementing capacities of all five FAO Regional Offices have been strengthened with the establishment of the new senior position of Regional Programme Leader to take overall responsibility for the substantive formulation, implementation and monitoring of the overall programme of work in the region. This is in line with the process of consolidation of the Strategic Programme and the Regional Initiatives.

10. In order to increase country resource allocations, the Organization is following up on the enforcement of the outstanding Host Country Agreement commitments of governments, such as Government Counterpart Cash Contributions (GCCC) payments and in-kind contributions. Meanwhile, renegotiations of some of the older Host Country Agreements are being undertaken which include updated government contributions to reflect the economic status of the country concerned. This exercise is ongoing but by nature this process can be lengthy.

11. It is also important to mention that Quality Reporting is emphasized as one of the key areas where improvements for all FAO Decentralized Offices are sought. In 2017, the initial phase of the Internal Control (IC) Reporting process was launched in all five regions. The IC Reporting has replaced Annual Checklists for FAO Representatives. This process is a long-term commitment that also attempts to streamline the work of the Decentralized Offices and integrates the Internal Control Questionnaire (ICQ) with other reporting requirements including an External Risk Assessment. Through the end of December 2017, all of the required ICQs from Country Offices had been submitted. Based on the ICQs, each Regional Office will prepare representation letters which the Director-General will use to prepare the Statement of Internal Control. Senior management, with the strong endorsement and support of the Governing Bodies, as well as External Audit, continues to emphasize the need for strong internal control and effective risk management.

12. The strengthening of the Rome-based Agencies (RBA) collaboration is ongoing at country, regional and global levels. The RBAs are fully committed to jointly contributing to the 2030 Agenda for Sustainable Development and working together to support countries in its implementation. Good practices are being developed and replicated in a range of contexts, highlighting common challenges, approaches and innovations, scaling up effective joint activities and developing common initiatives. In September 2017, the Heads of the three RBAs travelled together to Ethiopia for the first-ever joint country mission, where they made a joint call for enhanced investment in strengthening people's resilience to drought and the impacts of climatic shocks. At country level, the RBAs are joining in project programming, formulation and implementation. For instance, FAO Sudan has signed a Country Level Declaration with WFP to enhance the sustainability and impact of country programme interventions and strengthen areas of collaboration and partnership at country level. Furthermore, the number of countries where FAO and IFAD are sharing premises continues to grow and has now reached eight, in line with the framework agreement signed by the two agencies in 2013.

13. In the context of the General Assembly resolution on the 2016 Quadrennial Comprehensive Policy Review (QCPR) (71/243), the UN Secretary-General presented for consideration and endorsement of Member States, a reform proposal for a more effective, cohesive and accountable United Nations Development System, allowing for appropriate support to the achievement of the 2030 Agenda. The reform calls for significant adjustments in the skillsets, leadership, coordination and accountability mechanisms of the system. The vision is articulated along seven reform streams: i) Delivering system-wide results; ii) new generation of UN Country Teams; iii) reinvigorated UN Resident Coordinator System; iv) a revamped regional approach; v) improved oversight and accountability; vi) scaling up partnerships; and vii) a new funding compact. The reform entails a variable time frame for the implementation of the different proposals, and is subject to Member States' support. FAO is assessing the implications of this package of reform proposals while actively engaging with the UN Development System at country and regional levels to support the Secretary-General's reform initiative.

III. ACHIEVEMENTS AND CHALLENGES IN THE DECENTRALIZED OFFICES NETWORK IN THE EUROPE AND CENTRAL ASIA REGION

14. The Regional Office for Europe and Central Asia (REU) and the Subregional Office for Central-Asia (SEC) in close collaboration with the headquarters technical divisions and the Strategic Programme

teams provide technical assistance to 17 member countries². FAO's presence in these countries is limited and would need further strengthening and consolidation. When the first projects started to be implemented in the region 40 years ago, these 17 countries to which FAO currently provides assistance, were only four (Albania, Turkey, Socialist Federal Republic of Yugoslavia and the Union of Soviet Socialist Republics) member countries. While Turkey is a member since 1948, and Albania since 1973, 15 countries in the region joined FAO between 1993 and 2007.

15. Currently, the region has eight country offices. Three country offices headed by an international resident FAO Representative (Kyrgyz Republic, Tajikistan and Turkey), and five country offices covered under the multiple accreditation scheme with resident Assistant FAO Representatives (Albania, Armenia, Georgia, Republic of Moldova and Uzbekistan). In addition, FAO has opened Partnership and Liaison Offices in Azerbaijan and Kazakhstan. This new model aims at developing robust partnership programmes with the host government and establishing technical hubs with key technical expertise and knowledge. The 30th Session of the Regional Conference for Europe recommended to upgrade the presence in Uzbekistan from multiple accreditation to fully-fledged representation on a cost-neutral basis. The Organization is endeavouring to identify resources to implement this action during the biennium 2018-19.

16. In seven member countries³ of the region, FAO has no formal representation. However an increasing portfolio of programmes and projects are being managed by the Regional Office in Budapest or the Subregional Office in Ankara, respectively, supported by national project teams. In four of these countries FAO's programme is supported by the national correspondent (NC) scheme: Belarus, Bosnia and Herzegovina (currently vacant), Serbia and The former Yugoslav Republic of Macedonia.

17. Taking the situation above into consideration it would be advisable to further strengthen the operational capacities of existing country offices, in order to adequately address increasing requirements for effective monitoring, reporting and internal control. This objective could be achieved on a cost-neutral basis through prioritization of needs and resources for more efficiency.

18. The Regional Office for Europe and Central Asia in Budapest continues to lead in providing technical support to the countries and offices in the region. Strengthening its capacity is an ongoing process and to date the creation of new positions and the out-posting of staff from headquarters in the areas of Climate Change, Land Tenure, Information and Knowledge Management, Agro-Industry and Agriculture (Pest and Pesticide Management) has been completed.

19. To respond to the needs in the Central Asia subregion SEC currently includes technical expertise in forestry, livestock, land and water, and agricultural policy. In order to facilitate the increasing requests from respective country offices, the strengthening of SEC is ongoing. Its multidisciplinary team has been expanded in the areas of food security, climate change, programming and by placing junior technical officers as well as outposted officers from headquarters in the area of plant production/plant protection.

IV. OPTIONS FOR CHANGE IN THE EUROPE AND CENTRAL ASIA REGION AND SUGGESTED ACTION BY THE REGIONAL CONFERENCE

20. The rapidly changing and increasingly challenging global environment triggers FAO to shift towards more coherent, innovative and cost-effective business models, particularly in view of a wide diversity of member countries in the region in terms of economic development and agricultural potential.

² Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kyrgyz Republic, Montenegro, Republic of Moldova, Serbia, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, Uzbekistan

³ Belarus, Bosnia and Herzegovina, Montenegro, Serbia, The former Yugoslav Republic of Macedonia, Turkmenistan, Ukraine

This requires more flexibility in the use of budgeted resources, thereby allowing FAO to respond to country-specific and emerging needs and priorities, putting a special emphasis on such categories as lower middle-income countries and the Land Locked Developing Countries.

21. In the context of the ongoing UN Development System Reform FAO will adapt its decentralized network in the region to be well placed in offering integrated policy advice and technical knowledge to collectively support member countries in the Agenda 2030 implementation. FAO will be making continued efforts to strengthen collaboration with UN partners at regional and country level through scaling up joint activities, particularly in anchoring its policy work with a broader SDGs context.

V. 40 YEARS OF FAO COUNTRY REPRESENTATIONS

22. FAO's Decentralized Office Network covers 152 countries. Within this network, there are 85 fully-fledged country representations, of which 55 were established between 1977 and 1979. Approximately 70 percent of these offices, therefore, are marking their 40th anniversary between 2017 and 2019. A rolling three-year anniversary initiative is under way to celebrate "40 years of FAO country representations". While the permanent presence of FAO through country representations in Europe and Central Asia is more recent, the 40th Anniversary is nevertheless timely for recalling the importance of the Organization's field presence, as the first FAO projects started their implementation in this region around 1977.

23. By showcasing results achieved through the Organization's long-term country presence over the past four decades, the initiative is proving a useful occasion to illustrate the alignment of FAO's expertise with government priorities while also demonstrating its agility in adapting to the evolving needs of regions, subregions and countries.

24. Anniversary celebrations have shown strategic partnerships and innovative resource mobilization options, including close collaboration with Rome-based and other UN agencies, to be integral to FAO's decentralization strategy and essential for supporting member countries' achievement of the SDGs, particularly in areas concerning food security and nutrition.