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JOINT MEETING

**Joint Meeting of the Hundred and Sixth Session
of the Programme Committee and Hundred and Thirty-eighth Session
of the Finance Committee**

Rome, 23 March 2011

**Additional Information on Delegation of HR Management, Financial
Management and Procurement from Headquarters
to Decentralized Offices**

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Executive Summary

- As requested by the Conference Committee for the Follow-up to the Independent External Evaluation of FAO (CoC-IEE) at its meeting on 23 February 2011, this information note provides additional information on delegations from headquarters to decentralized offices (DOs), covering the areas of procurement, Technical Cooperation Programme (TCP), financial management and human resources (HR) management.

Suggested action by the Joint Meeting

- This information note is supplied to support Members of the Joint Meeting in providing the guidance sought on the document “Vision for the structure and functioning of Decentralized Offices” (CL 141/15).

I. Introduction

1. This information note provides the additional details requested by the CoC-IEE at its meeting held on 23 February 2011 while reviewing the document “Vision for the Structure and Functioning of Decentralized Offices”.
2. Noting that the vision document would be further discussed by the Joint Meeting of the Finance and Programme Committees in March 2011, the CoC-IEE requested additional information on delegation of HR management, financial management and procurement activities¹ to be provided to the Joint Meeting. In order to provide a more comprehensive picture of all aspects of delegations to DOs, this information note covers also operational and financial management aspects of TCP delegations.

II. Procurement

3. Delegations for procurement activities are established in Manual Section (MS) 502, “Procurement of Goods, Works and Services”. This MS has recently undergone a thorough revision and provides the framework for the implementation of IPA action 3.38 “*Delegation of authority for procurement, authority for Letters of Agreement to divisional level and in the DOs*” to empower DOs in support of the Organization’s mandate. The revised version of MS 502 was issued on 1 January 2010.
4. Activities undertaken in implementing IPA action 3.38 have already resulted in increased delegations of authority to DOs and in activities to support the DOs to use the authority effectively.
5. The most relevant delegations to authorized officials in DOs provide Regional Representatives (RRs) with a delegated financial authority up to a maximum of USD 200,000, Subregional Representatives with delegated financial authority up to a maximum of USD 150,000, and FAO Representatives (FAORs) and Heads of Liaison Offices with delegated financial authority up to a maximum of USD 100,000.
6. The increased delegation of authority has been accompanied by an extensive training programme that has involved over 500 DO staff. To further support decentralization and increase capacity in the field, in 2011 FAO will double its current procurement supervision capacity by posting three additional international procurement officers in countries where FAO undertakes significant amounts of procurement for emergency projects, including Pakistan and Haiti.

¹ Chair’s Aide-Mémoire – Meeting of the CoC-IEE, 23 February 2011, para 17.

III. Technical Cooperation Programme

7. Under the delegated authority of the Director-General, the Assistant Director-General, Technical Cooperation Department (ADG/TC) is responsible for corporate oversight of the TCP, including of all aspects regarding the use of the appropriation. Further delegations vary between non-emergency and emergency projects.

8. For all regional, subregional and national non-emergency projects, the responsibility and accountability have been further delegated as described below.

Financial responsibilities

9. Prior to project approval: the ADG/RRs are responsible and accountable for the management of the TCP resources indicatively allocated to each region in the PWB and in accordance with the guidance provided by the governing bodies. The ADG/RRs fulfil this responsibility by monitoring the TCP pipeline for the region and the number and budget value of approved projects, by supporting the DOs in moving pipeline projects towards approval and ultimately by allocating the required budgetary resources to approved projects. Dedicated TCP posts have been established in all regional offices to support the ADG/RRs in managing this workload.

10. After project approval: once a project has been approved, the responsibility and accountability for the use of its financial resources rests with the designated budget holder, i.e. the concerned FAOR for national projects, the Subregional Coordinator for subregional projects, and the ADG/RR for regional projects. While the ADG/RRs have an overall responsibility for monitoring quality of the projects being carried out, the Budget Holder is responsible for managing the resources in accordance with the Organization's financial rules.

Operational responsibilities

11. Upon receiving a request for TCP assistance, the head of the involved DO leads the process of formulating the TCP project in close cooperation with headquarters and close consultation with the concerned technical experts (both decentralized and at headquarters) and ensures that the proposal meets the TCP criteria and other TCP rules. Once the formulation is completed and all clearances have been received, the head of the DO has delegated authority to approve the project, following which the required resources are made available by the ADG/RR from the regional allocation. The project budget holder will ultimately be responsible to achieving the project objectives and that agreed results are reached.

Emergency and interregional Projects

12. It is not realistic to provide an indicative regional allocation for emergency projects or for interregional projects. These are under the approval responsibility of the ADG/TC and have been indicatively earmarked in the PWB with a share of the TCP appropriation.

13. Following the receipt of an official request, project formulation is coordinated by the dedicated staff under the supervision of the ADG/TC. Once a project is approved, the designated budget holder is responsible for its implementation and for the use of its financial resources. In the case of emergency projects, the budget holder is usually the Emergency Operations and Rehabilitation Division (TCE), while for interregional projects the budget holder is usually the lead technical unit at headquarters.

IV. Financial Management

14. For DOs, the main delegations for financial management are set out in MS 202 and cover the areas of the management of bank accounts and the authority to approve payments.

15. Delegations relating to operating bank accounts are within the authority of the Finance Division (CSF). These can be summarised as follows:

- DOs have delegated authorities to designate one or more panel of signatories for bank accounts in DOs which are then approved by the Chief, Financial Services (Director of Finance Division/Principal Officer, CSF).
- The Chief, Accounts Branch (Director of Finance Division/Principal Officer, CSF) approves the establishment of imprest funds and designate Imprest holders at headquarters and DOs.

16. The Director of Finance Division has delegated authority to make payments on behalf of the Organization. The Director of Finance has also delegated such authority to appropriate officers of his division and imprest account holders at regional offices, subregional offices, FAOR and Liaison Offices, project locations and headquarters. The officers to whom this authority has been delegated are responsible for ensuring that payments are only made for requests which have been approved in accordance with the requirements of the relevant MS for each expenditure type – procurement, HR transactions, etc.

V. HR Management

17. In line with the recommendations made by the Independent External Evaluation (IEE), since May 2008 the Director-General has delegated authority on a number of issues relating to HR management to heads of DOs.

18. Among the items in the area of HR Servicing for which authority has been delegated, are:

- the selection and appointment of all Regular Programme Professional staff (P1-P5), for which authority now rests with ADG/RR and Heads of Office;
- appointment of National Professional Officers to the Regional Office;
- recruitment and selection of local General Service staff in regional, subregional, liaison and country offices to the Regional Office, Subregional Office, Director Liaison Office and FAOR as appropriate.

19. Furthermore, delegations have been made to those regional, subregional and country offices regarding the recruitment and servicing of National Project Personnel and National Consultants, whereas such recruitments had previously to be approved by the HR Servicing Officers in the Shared Services Centre. The recruitment and servicing of the South-South Cooperants has also been fully delegated to the Heads of DOs.

VI. Benefits

20. Delegations in all areas to DOs have contributed to a shift from what the IEE had termed *ex-ante* transaction approvals and a “risk-averse management culture” towards greater use of *ex-post* controls.

21. Empowerment of managers in DOs has contributed to the delegation of both responsibility and accountability to the appropriate levels within the organizational structure, based on the principle of subsidiarity. The level of delegation is now comparable to UN system agencies of similar nature, which effectively helped facilitate partnership at the field level.

22. Increasing the level of delegated authority has improved the timeliness and effectiveness of processes and has facilitated fostering of partnerships within DOs and with other country-based UN organizations, resulting from the empowered operational activity.