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Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
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## PROGRAMME COMMITTEE

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### Independent Evaluation of FAO's Decentralization – Further Management Response

### DECENTRALIZATION IN FAO: THE WAY FORWARD

#### Introduction

1. FAO is fully committed to decentralization. Fundamental to the Organization's success is its ability to understand, and to efficiently and effectively meet, the priority needs of its Members within the constraints of its resources. This simply cannot be done by overly centralized structures, staffing and programmes. Field presence is required at an optimum level, with delegated authority, expertise and resources.
2. FAO's commitment to decentralization has been evident since its very early history, and improvements have been made over the years. Milestones in this process were the establishment of the Regional Offices during 1951-1961, the creation of a network of FAO Country Offices in 1976, and the adoption in 1994 of an enhanced decentralization policy comprising the strengthening of the Regional Offices, the establishment of five Subregional Offices, of two new Liaison Offices and the progressive establishment of National Professional Officer posts in country offices. Between 1994 and 1997, the decentralized offices registered an increase in professional posts by 81%. Finally, between 1996 and 2001, project operations, previously at headquarters, were progressively decentralized and entrusted, depending on the type of project, to FAO Representations, Regional Operations Branches or technical divisions.
3. In search of ways to improve the effectiveness of the Organization's decentralization efforts, an Independent Evaluation of FAO's Decentralization was conducted in 2003-04, and many recommendations for improvement were made. The Organization fully embraces those recommendations, as their intent is to assist the Organization in becoming better at meeting

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country needs. The findings of the Independent Evaluation of FAO's Decentralization and Management's preliminary response (document PC 92/6a) – FC 108/18) were examined by the 92<sup>nd</sup> Session of the Programme Committee and the 108<sup>th</sup> Session of the Finance Committee in September 2004. The secretariat submitted a more detailed follow-up response (document PC 93/7 FC 109/26) to the subsequent session of the Programme and Finance Committees in May 2005. In May, however, neither Committee was satisfied with the Organization's progress in developing a costed and time-bound implementation plan, as had been requested by the September sessions. In this regard, they urged that progress be accelerated and that the Organization also present a clearer vision of its approach to decentralization. The main body of this paper attempts to address the Committees' requests for a visionary document, while the Annex provides the detailed status of implementation of each recommendation.

### **A vision of decentralization**

4. It is important to view decentralization within the broader context of FAO as a knowledge organization which fights hunger and poverty and promotes sustainable development at global, regional and country levels. As a knowledge organization, FAO acquires, generates, processes and analyzes data and information and sustains it as a body of knowledge. It also identifies trends, shares knowledge, builds consensus and commitment and works with countries and other partners in using knowledge to leverage and implement solutions to the problems of hunger, poverty and sustainable development. Then, through the application of knowledge and the experience gained from it, and the lessons learned, the Organization strengthens its networks to improve the acquisition and generation of information. Thus, the cycle of accessing information, generating and applying knowledge, learning from it, and feeding the experience gained back into the entire system is repeated, and adjustments and improvements are made. Each programme and every office in the organizational structure has a role to play in this cycle of information and knowledge. The Regional, Subregional and Country Offices must be seen within this broad context.

#### *Programme development*

5. Since the application of knowledge in search of solutions to the problems of hunger, poverty and sustainable development are primarily at the country level, the main focus of decentralization should also be at the country level. Thus, the Organization's structure, its programme of work, its systems and procedures, should be organized in a manner that appropriately takes into account this country-focused approach.

6. The starting point for the country-focused approach will be the national medium-term priority frameworks (NMTPFs), as recommended by the Evaluation Report. These will be developed under the leadership of the FAO Representatives (FAORs) in consultation with government officials, development partners and the donor community. These will not be descriptions of FAO's priorities for the country; rather, they will outline how FAO can best assist the country in meeting its priorities, including MDG targets, taking into account the interests and programmes of partners and donors as well as other frameworks which might already exist, such as the CCAs, UNDAFs and PRSPs. Clearly, the NMTPFs would also indicate the key opportunities where TCP resources could be catalytically used. The methodology for preparing the NMTPFs has been developed following several pilot initiatives, and the process of formulating them, initially in a number of selected countries, is well in progress.

7. In addition to being the basic indicative programme at the country level, the NMTPFs will also serve as the building blocks for FAO's Subregional and Regional programmes. The results of the Regional Conferences and other regional bodies, such as the regional forestry commissions and regional fisheries bodies, will also provide input to the development of regional programmes, which will subsequently be melded into the Organization's corporate Programme of Work and Budget and Medium Term Plan.

8. The NMTPFs will also serve as important input to decisions about the mix of technical skills needed at the Subregional and Regional levels.

9. Thus, the Organization's programmes will be demand-driven, being built first and foremost on a country-level foundation.

#### *Human resource issues*

10. The strength of any organization is in the quality of its staff. Given the importance of building programmes well founded at the country level, it follows that FAO country-level staff must be highly and appropriately qualified. What is particularly important in this regard is that the Organization select the best possible candidates as FAO Representatives. In response to the Evaluation Report, the entire process of recruiting FAORs has been reviewed and improved. For example, FAOR profiles have been clarified, regular vacancy announcement are being issued, selection criteria have been refined, the screening of candidates has been intensified, and the interview process has been improved. In addition, the briefing and training of FAORs are being strengthened, and a comprehensive performance appraisal system for FAORs, that will become operational in October this year, has been developed. Competency assessments will also be conducted appropriately as soon as the ongoing work on FAOR competencies is completed in the near future.

11. As needed, the Country Offices will draw from technical expertise located elsewhere in the Organization. Primarily, such technical support will come from interdisciplinary technical teams located at the Subregional Offices. In principle, the teams are to be composed largely of staff able to provide policy and strategic advice as well as of technical officers with sectoral skills. This is in recognition of the Evaluation Report's finding that there is a growing demand from countries for FAO advice on policy matters. Highly specialized expertise would normally be located at Headquarters. In addition, the Subregional teams would maintain rosters of experienced experts at the subregional and regional levels who could be contracted at short notice, as suggested by the Evaluation Report. Access to these resources would be facilitated by the substantial increase of budgetary allocations for non-staff human resources throughout the Organization which are proposed in the Director-General's reform proposals as well as through the use of the TCP Facility by FAO Representatives, the level of which is proposed to be increased to a maximum of US\$ 200,000 per biennium and per country. These measures also correspond to specific recommendations made by the Evaluation.

#### *Structural issues*

12. In improving the Organization's decentralization, several structural or organizational issues must be considered. The first is the geographical coverage. In keeping with the country focus, FAO Management is convinced of the importance of having a comprehensive network of FAO country-level presence, perhaps no longer referring to a limit in the number of country offices in the PWB. However, in view of the differing degrees of development of countries and the resource constraints faced by the Organization, the type and method of funding of FAO presence would vary. As is already the practice, multiple accreditations would be appropriate in some instances. Also, the Organization would seek to phase out the Out-posted Technical Officer/FAOR scheme in its current form where some better modality of meeting the needs of the countries concerned can be found. These new approaches and modalities are mentioned in the annex and are further defined in the Director-General's reform proposals.

13. As mentioned earlier, the first line of technical support to countries, other than from the FAOR Office itself, will come from the multidisciplinary technical teams located at the Subregional Offices. As there are now only five Subregional Offices, the Organization will be proposing to create eleven more (thus a total of 16), some of which will be co-located with existing Regional Offices. The intention is to reorganize the technical and operational support to the field programme and member countries into geographical groups based as far as possible on the membership of Regional and Subregional Economic Integration Organizations (REIOs), while

avoiding overlap. FAO is already cooperating extensively with these organizations which are important decision centres where policies and programmes are defined, including in the areas of FAO's competence. This new approach would therefore contribute to the enhancement of regional and sub-regional cooperation and ensure a certain degree of homogeneity among the countries that are part of the same group with, as a result, the possibility of providing more effective and efficient services. In line with one of the recommendations of the Independent Evaluation, the new approach would also allow a reduction in the number of countries being served by the same multidisciplinary team to an average of about 10 countries and a maximum of 16 countries compared to 21 as at present. The geographical coverage of existing SROs will be modified accordingly. The choice of the country where the new Subregional Offices will be located would take into account the location of the headquarters of the REIO, travel and communication facilities, and other factors.

14. The Organization would continue to maintain Regional Offices, but their roles will change, focusing more on major regional issues and concerns. In addition, the Organization may consider designating Liaison Officers to spearhead collaboration with the REIOs.

#### *Administrative issues*

15. Regardless of the eventual final form of the Organization's structure, it must be made to function effectively and efficiently. Thus, rigorous attention is being given to the most fundamental administrative, financial and personnel management issues. These include consideration of better financing of the decentralized structures, greater access to corporate systems, increased delegation of authority to spend and receive resources and undertake certain personnel decisions and transactions, and introduction of the ex-post monitoring and review as necessary. Greater empowerment of Country Offices, in particular, is being considered. Inherent in all this is the need to review and clarify the roles and responsibilities of the Country, Subregional and Regional Offices, and their linkages with headquarters units, including the lines of reporting. Progress on these efforts is outlined in the Annex, it being understood that some reform measures will have to be implemented in a phased manner.

#### *Communication*

16. To be successful, this new vision of decentralization in FAO will require a tremendous improvement of the current state of communication between headquarters and the field, between different levels of field representations, as well as between headquarters divisions. In fact, the Evaluation Report suggested that the perceived failure in communications was one of the main reasons for low *esprit de corps* in the Organization that also contributed to the failure to create "one FAO". Efforts are therefore under way to find ways and means of ensuring better communication both vertically and horizontally involving headquarters as well as the decentralized offices.

17. In this context, opportunities are being explored, within the limits of financial resources and other pressing needs and priorities, to enable better exposure and more exchange of visits of staff between the decentralized offices, and between headquarters and the field offices, at various levels. Such face-to-face contact and communication will be in addition to the continued, expanded and innovative use of computer-mediated communications (CMC), such as telephone, e-mail, electronic conferencing, videoconferencing, etc.

18. The Director-General's restructuring proposals envision that the decentralized offices would be overseen by an Assistant Director-General. This would elevate the decentralized offices in the hierarchy of the Organization and facilitate ADG-to-ADG communication. In addition, the Deputy Director-General will assume an expanded role in providing policy guidance and support to the headquarters ADGs and Regional Representatives. In pursuance of this expanded role, the Deputy Director-General will undertake to visit field offices as time permits.

## **Conclusion**

19. Effective decentralization is fundamental to the success of FAO and to the Organization's ability to meet the priority needs of its Members. The Organization, thus, is fully committed to decentralization. It recognizes in this regard that there is room for substantial improvement over current practice and is grateful, therefore, for the advice provided by the Independent External Evaluation of FAO's Decentralization. The Organization is aggressively moving to implement the Evaluation's recommendations, as outlined in the Annex. The changes considered, though, are significant and require in-depth consideration and analysis, including their possible financial implications. The agreed changes must be implemented in a phased manner. Similarly, decentralization cannot be accomplished in isolation and independently of headquarters structures, programmes and processes. It must be done in a holistic manner in concert with the evolving understanding of FAO as a knowledge organization and thus as an integral component of the reform proposals involving the whole of FAO being made separately by the Director-General.

## ANNEX

## INDEPENDENT EVALUATION OF FAO'S DECENTRALIZATION: IMPLEMENTATION PLAN

Cat	Recommendation/Other suggestions	Status
1	<b>Demand and Priorities</b>	
1	1. (For early implementation) Develop 4-year rolling FAO national priority frameworks for the countries where we are active.	Management supports this recommendation, which closely mirrors the recommendations that had been made earlier by the Field Programme Committee. Implementation of this recommendation has begun, and by July 2005 the first versions of the national medium term priority frameworks (NMTPF) were ready for two countries: Yemen and Democratic Republic of Congo. The NMTPFs will be introduced in some 20 countries in different regions before the end of this year and, based on the experience and lessons learned, the remaining countries will be brought into this exercise in 2006, in harmony with the timing of the national planning processes, to the extent possible. The guiding principles that have been followed in the preparation of the NMTPFs are: The frameworks should: (i) be short and reflect priority needs of the country; (ii) align FAO's work with the various national programming processes (national development plans, PRSPs, MDGs implementation plans, CCA/UNDAF or CAP where applicable) and should be periodically updated; (iii) be based on broad stakeholder consultations and partnership building; (iv) harmonize FAO's activities with the programmes of other development partners; and (v) focus on those areas where FAO has a comparative advantage in a given country. The methodology for the preparation of NMTPFs will be progressively improved and fine-tuned as lessons are learned, in line with the other ongoing initiatives related to decentralization (e.g. TCP review.)
1	10a) (For immediate implementation) Rolling work programmes of technical support should be demand-driven and drawn up for technical staff based on requests from FAORs and should be discussed and agreed with the FAORs in meetings convened by the Regional Representatives.	Management welcomes this recommendation. The starting point for the rolling work programmes of technical support will be the national medium-term priority frameworks (see above), supplemented by specific requests made by countries for technical services from FAO. Rolling work programmes of technical support will also be prepared at the level of sub-regions and could be extended to the regional level. The responses to the questionnaire which was sent to member states in May 2005 will provide additional input to the work programmes. In addition, information received from FAO's decentralized offices and technical departments in the context of the implementation of another recommendation (Category 2, Recommendation 14) will be useful in assessing the skills mix required in countries, sub-regions and regions. Based on the national medium-term priority frameworks and the results of the studies of the skills mix required at various levels, rolling work programmes of technical support will be prepared beginning early next year.

Cat	Recommendation/Other suggestions	Status
1	10b). (For immediate implementation) Requests by FAORs for person-days of input by technical/policy discipline and by professional officer should be monitored as input to determining the skills mix in the RO.	The underlying thrust of this recommendation is well appreciated and welcomed by management. The action under this recommendation is linked with that of Category 1, Recommendation 10a above. In addition to the questionnaire to governments and the information received from the decentralized offices and technical departments referred to above, the NMTPF as well as the annual reports of FAO country representatives will be used as mechanisms to establish, monitor, and update skills mix requirements at the sub-regional levels in accordance with the new decentralized structure proposed in the Director-General's reform proposals. This will follow the initial establishment of rolling work programmes (please see annotations under Category 1, Recommendation 10a).
1	3a). (From 2006-07 biennium) Regional Representatives should propose normative work for the region and groups of countries, and a proportion of technical programme resources should be pooled for regional programme entities.	Management supports the recommendation that Regional Representatives should propose normative work for the region and groups of countries, bearing in mind the need to integrate normative work with operational activities. In fact, inputs from Regional Offices on normative work are already sought in the context of the preparation of the PWB. However, it is recognized that the process needs to be strengthened and fine-tuned. In this regard, improvements have already been made in the communication and collaboration which takes place between the technical departments and the Regional Offices. PBE also had intensive consultations with the Regional Offices in the context of the preparation of the PWB 2006/07, which culminated in videoconferences between the Regional Offices (with simultaneous teleconference with Sub-Regional Offices) and the Deputy Director-General, together with representatives from PBE, AF and OCD. In addition to the PWB process, potential programme entities of a regional nature will be considered in preparing the next MTP. Implementation of this first part of the recommendation is already under way. Given the considerable efforts required by both headquarters and field units to achieve the above, particularly in light of the proposed Organization-wide restructuring and re-programming, implementation of the complex second part of the recommendation ("a proportion of technical programme resources should be pooled for regional programme entities") will be explored at a later stage.
1	3b). (From 2006-07 biennium) Regional priorities should be defined based on the country priority frameworks, discussion between HQ and ROs, analysis of global normative work, results of Regional Conferences, and full involvement of ROs in discussions of the MTP and PWB.	This recommendation is supported by Management. The preparation of NMTPFs has already been launched, as indicated earlier. PBE has taken the lead at headquarters to bring the Regional Offices fully into the planning process in the preparation and implementation of the biennial Programme of Work and Budget as well as the Medium Term Plan. The contact between headquarters and Regional Offices in this regard has already been further strengthened. In addition, specific proposals have been formulated to ensure that the planning process benefits from the results of the Regional Conferences.

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1	4. (For early implementation) Regional Conferences should be flexibly designed in format and content and their voices should be institutionalized in FAO's programming, planning and budgeting.	With reference to the design of Regional Conferences, Management has been making efforts over the years to ensure their more efficient and effective organization, including consideration of greater flexibility in their format and contents. While some changes have already been introduced, additional proposals for fine-tuning have been submitted to the Regional Groups of Permanent Representatives to FAO for their consideration. Regarding the recommendations emanating from the Regional Conferences, these are carefully reviewed by the respective Regional Offices and taken into account in their programme proposals submitted to headquarters for melding into the PWB process. Management will make further efforts to ensure that the views of the Regional Conferences are taken into account in the Organization's programming, planning and budgeting exercises.
<b>2</b>	<b>Supply including Geographical Coverage</b>	
2	5a). (For early and continuing implementation) Expand use of multiple accreditation, including countries currently covered by a full FAOR.	Multiple accreditation is a well recognized practice which Management utilizes to expand FAO's coverage of member countries as needed and where possible. An internal study has been undertaken in response to this recommendation with the objective of identifying the options available to the Organization for representation in developing countries through both fully-fledged Representations and multiple accreditations. The review of the various scenarios, including financial implications, have led to the proposal for a more comprehensive network of country-level presence, as included in the Director-General's reform proposals.
2	5d). (For early and continuing implementation) To the maximum extent possible, national correspondents should be supported through multiple accreditation.	Management fully agrees that, as far as possible, National Correspondents should be supervised by an FAO Representative designated under double or multiple accreditation. The proposals referred to above, in response to Category 2, Recommendation 5a, also cover this issue.
2	6. (For early implementation) The OTO/FAOR scheme should be discontinued in its present form.	Recommendations 6 and 6a have given an urgency and impetus to the review of the OTO/FAOR scheme. As a result, a thorough review of the various substantive questions on different aspects of this issue has been undertaken, in which all relevant divisions and departments have contributed with innovative ideas and positive



Cat	Recommendation/Other suggestions	Status
	6a). (For early implementation) If the scheme is continued, it should not be for new FAOR countries. Rather, the technical/policy needs of existing FAOR countries should be identified and met by appropriately qualified OTO/FAORs, with the savings from the FAOR country budget used elsewhere in the FAOR system.	recommendations. The review report makes concrete recommendations regarding issues related to (a) the use of technical officers as FAORs, (b) appointment, career development and succession planning of the OTO/FAORs and (c) resource allocations to these offices. This issue however, must be considered in conjunction with the improved network of country-level presence, as included in the Director-General's reform proposals, which provide for a modified scheme of OTO/FAOR in conjunction with the multi-disciplinary team of technical officers for the new SROs.
2	12. Over the two forthcoming biennia (2006-09), establish 6-7 technical groups at airline hubs through re-definition of existing regional posts in order to make more policy/strategy and general expertise readily available to FAORs.	The proposal to establish technical groups at sub-regional levels that would result in assigning more technical people closer to countries that need them most, is accepted by Management. To implement this, Management proposes to create new sub-regional offices in the sub-regions covered by the following Regional and Sub-regional Economic Integration Organizations or regional entities: Africa (4): ECCAS/CEMAC, IGAD, ECOWAS/UEMOA, in addition to SADC; Asia and the Pacific (3): SAARC and ASEAN in addition to PIF; Latin America and the Caribbean (4): CORECA-CAC, MERCOSUR AMPLIADO, COMUNIDAD ANDINA, in addition to CARIFORUM; Near East and North Africa (3): Cooperation Council for the Arab Gulf states, in addition to the Arab Maghreb Union and to the group of remaining countries of the Near East; Europe (2): Central Asian countries, in addition to Central and Eastern European countries not members of the EU. In principle, the new SROs would be merged with an existing FAO Representation, but the countries which would host the SROs would be decided by considering where the HQ of the respective regional entity is located, ease of travel connections, and other factors. The budgetary, administrative and personnel implications including lines of reporting, etc. are currently being reviewed and will be reflected in the Director-General's reform proposals for the whole of FAO.
2	14. (Start of implementation 2006-07) Call-down (retainer) contracts should be negotiated with regional specialists who would be available on short notice and with minimum bureaucracy for a variety of technical assignments coordinated by the ROs.	This also is an innovative suggestion that is supported by Management. Considerable work has already been undertaken with a view to establishing rosters of experts at country, sub-regional and regional levels, who would be available at short notice. The skills mix required at the country, sub-regional and regional levels is being established, based on responses from FAORs to a questionnaire and advice from technical experts based at sub-regional and regional levels and the technical departments at headquarters. This will be followed by the identification of individual experts whose names will be included on rosters following technical clearance. In parallel, streamlining of relevant processes to implement the proposed scheme, including a thorough review of the various administrative and personnel procedures, is also under way. The entire exercise will take a few more months before the scheme can be considered operational on a pilot basis. Improvements, innovations

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		and fine-tuning will be considered in due course, based on the experience derived and lessons learned, and taking into consideration the new role expected to be played by SROs.
2	15. (For early implementation) Develop country-specific arrangements with new donors, especially from middle-income countries, to supply technical expertise.	Management agrees to this recommendation. Implementation of this proposal will be partly achieved through the preparation of rosters of experts and related arrangements in response to Category 2, Recommendation 14 above. In addition TC, which is normally responsible for maintaining liaison and contacts with donors, is exploring the possibility of developing flexible arrangements with new donors to supply technical expertise.
2	16a-e. (For implementation by 2009)	See Category 2, Recommendation 12.
2	18d). (For implementation by 2008) Adjust the rules to permit national professional staff to work in other countries served from their offices.	While Management appreciates the rationale behind this recommendation, existing rules require that National Professional Officers (NPOs) be recruited locally and serve as nationals of their country. They are therefore not assigned outside their own country. These rules, however, do not prevent NPOs from travelling to other countries on special assignments, e.g. for training, or to participate in meetings, or to undertake research/information gathering for the office to which they are assigned. This issue may be revisited, once the more basic and urgent issues are addressed, in light of information derived from other specialized agencies on their practices and procedures. This issue should be considered in the course of 2006.
3	<b>Authority and Delegations</b>	
3	8. (For implementation by 2007) Transfer responsibility for most regional technical staff and their budgets and programmes from HQ Technical Departments to the ROs.	The Independent Evaluation Report clearly stated in paragraph 188 that "In making this recommendation, the evaluation is aware that within the FAO Secretariat, this may be the most controversial recommendation in this report". Implementation of this recommendation would virtually recreate a situation that existed in the early 1990s which suffered major problems. However, it is recognized that the current practice has resulted in some problems and bottlenecks. Thus, an effort is under way in consultation with the Regional (and Sub-regional) Representatives, as well as technical departments, to introduce procedural changes, including introduction of various markers and checks and balances, to ensure that the bottlenecks experienced with the existing system are removed. The 'Circular on Responsibilities and Relationships for FAO headquarters and Decentralized Offices' is being amended with this in view. In addition, Management will continue to consider this recommendation within the context of other changes being made to support the reform proposals of the Director-General for the whole Organization.

Cat	Recommendation/Other suggestions	Status
3	9a). (For implementation by 2007 in parallel with Recommendation 8) HQ technical units should retain a significant role in the selection and technical performance assessment of regional technical staff.	This is currently the case; however, its implementation in consultation with the Regional and Sub-regional Offices, will be further fine-tuned in accordance with the comments made above under Category 3, Recommendation 8.
3	9b). (For implementation by 2007 in parallel with Recommendation 8) HQ departments should continue to participate in the establishment of regional work programmes and in technical support to countries.	
3	9c). (For implementation by 2007 in parallel with Recommendation 8) The visit of technical officers to HQ should be the norm and should be annual.	The current situation is that headquarters technical staff visit the field as need arises, and technical officers in the field visit headquarters on occasions when there is need for consultations and technical interchange, as well as for attendance at seminars and other events. However, Management recognizes that more attention needs to be paid to this matter, in particular with a view to ensuring that technical officers from the field have the opportunity to visit headquarters as much as possible, preferably timed with relevant technical events so as to make the visits more useful and cost-effective. It is questionable whether a routine annual visit of technical officers to headquarters would either achieve the desired results or be sustainable from the budgetary perspective. Both the technical departments and the Regional/Sub-regional Offices have been sensitized to this issue and will seek appropriate opportunities to increase face-to-face dialogue between HQ and field technical staff.
3	9e). (For implementation by 2007 in parallel with Recommendation 8) Each regional technical officer should have a focal officer in HQ (this assumes implementation of Recommendation 8).	Management supports this recommendation. In fact, most regional technical staff already have focal point officers at headquarters. This issue is being taken into account in amending and re-issuing the 'Circular on Responsibilities and Relationships for FAO headquarters and Decentralized Offices'.

Cat	Recommendation/Other suggestions	Status
3	9f). (For implementation by 2007 in parallel with Recommendation 8) HQ units may, where appropriate, have the lead role of regional normative programme entities and or major outputs, and this should always be a joint endeavour (with the ROs).	Management agrees with this. In fact, this is already the case; however, in order to ensure that this should be a joint endeavour with the Regional Offices, the current procedures are being reviewed in the context of the Director-General's reform proposals for the whole Organization.
3	9g). (For implementation by 2007 in parallel with Recommendation 8) Regional Representatives should report on the adherence of the office and its staff to organizational priorities (this assumes implementation of Recommendation 8).	Please see annotations made against Category 3, Recommendation 8.
3	11. (For early implementation) Technical lead responsibility for projects should be assigned to ROs or SROs whenever they have the appropriate technical expertise, and in all cases networked cooperation on technical support between HQ and regional specialists should be the norm.	Management is in agreement with this recommendation. While the underlying principle remains that the technical and operational lead responsibility for projects, and the location from where technical and operational services should be provided, are normally determined on a case-by-case basis depending on where the appropriate expertise lies, it is recognized that headquarters units seem to have received some preferential treatment at the expense of Regional and Sub-regional Offices. It is accepted that when assigning the lead technical and operational responsibility for projects, expertise available at the SROs be considered first, then at the ROs and lastly at headquarters, and instructions to relevant units involved will be given accordingly.
3	19. (For early implementation) Give countries an indicative TCP funding figure and authorize FAORs to approve projects up to a maximum amount (e.g. \$100 000) and up to a maximum proportion (e.g. ½) of the indicative figure.	While the issue of providing countries with an indicative figure for TCP funding has been addressed in the TCP review, one of the recommendations for strengthening the TCP proposes to give FAORs the authority to approve the use of the TCP facility up to a level of US\$ 200,000 per country and per biennium and to establish an appropriate monitoring system.

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3	20a). (For early implementation) For projects clearly within the agreed national priority framework or those addressing an agreed emergency, authorize FAORs to approve the receipt of project funds from donors up to a maximum amount (e.g. \$100 000).	Management agrees with this recommendation. Clear rules and procedures for the acceptance of funds are being established, to be supported by an appropriate oversight framework, including monitoring, evaluation and audit. The new rules and procedures are reflected in a Field Programme Circular entitled "Procedure for the treatment of extra-budgetary contributions by local donors in support of field programme activities (not exceeding US\$ 150 000 or local currency equivalent)" issued in August 2005.
3	21. (For early implementation) The capacity of FAORs and their staffs, and related infrastructure, should be assessed against the size of existing programmes in the country or the capacity for growth, and spending authorities increased on a case-by-case basis where there is both need and capacity. Where capacity or infrastructures are wanting, training or other improvement should be made.	Management supports this recommendation. The Secretariat has already undertaken a review of FAOR capacities and infrastructures, giving priority to countries with large programmes or capacity for growth, as well as the FAOR spending authorities. A model has been proposed that explores a number of scenarios in implementation of this recommendation, together with their financial implications. The proposals made, as well as the issues flagged in the study, including the financial implications, are being considered in the context of other changes regarding the network of FAO's presence at country level, included in the Director-General's reform proposals. Implementation will eventually follow the decisions at the next Conference.
3	22a). (For phased implementation in 2007) Increase authorities granted to FAORs for: i) letters of agreement, ii) purchasing and iii) recruitment and extension of national staff (professional and GS).	Management agrees with this recommendation, which is closely related to several others aimed at increasing authorities of FAORs. Consultations among the concerned units within the house have been initiated with regard to the letters of agreement and purchasing. These issues will need to be carefully considered, taking into account the need and capacity of FAO Representations on a case-by-case basis, ensuring consistency with other changes in decentralization, as well as the need to put in place an oversight mechanism that includes monitoring, evaluation and audit. It is expected that implementation of this recommendation will commence by early next year. With regard to the issue of recruitment and extension of national staff, see Category 6, Recommendation 22b-f.
3	7a). (For implementation by 2007) For major complex emergencies, develop a cadre of FAOR/Senior Emergency Coordinators to replace existing FAORs.	Management agrees with this recommendation. Necessary consultations have already been undertaken, and the Field Programme Committee has approved a paper defining criteria under which leadership responsibility for the management and operation of the Field Programme should be given to the Emergency and Rehabilitation Division (TCE). A mechanism for decision-making in this regard has also been agreed. Consultations between TCE and OCD now take place as and when necessary, with a view to considering

Cat	Recommendation/Other suggestions	Status
		Senior Emergency Coordinators for FAORs positions in countries under major emergency situations, but with the necessary incentives and safeguards to facilitate attention to long-term development beyond emergency and rehabilitation. Recently, Senior Emergency Coordinators were appointed as Officers-in-Charge of the FAO offices for Iraq and Somalia.
3	7b). (For implementation by 2007) For other emergencies, criteria should be developed to guide decisions on when the budget holder responsibility should rest with the FAOR and when it should be retained by TCE.	Management agrees in principle with this recommendation. The Field Programme Committee (see annotation against Category 3, Recommendation 7a) has developed the criteria and mechanism under which the leadership responsibility for the management and operation of the field programme should be given to TCE. To this end, the membership of the Project Development Advisory Group, which is hosted by the TC Department, has been expanded to include the Directors of TCE and OCD.
4	<b>Human Resources and Staff Management</b>	
4	18f). (For implementation by 2008) Review staff rules and efforts in the Common System to allow more flexibility in adjusting the mix of technical staff in the ROs and SROs, including the need to transfer or terminate staff when appropriate.	Management supports this recommendation for a review. AF Department has sought information from UN common system organizations on their policy and practice in terms of allowing more flexibility in adjusting the mix of technical staff in ROs and SROs, including the need to transfer or terminate staff when appropriate. The review, which will also involve consultations with the relevant units both at headquarters and in the field, will take some time to finalize and make recommendations for the necessary Management decisions. This could be expected to be completed during the course of the next year.
4	17c). (For implementation by 2007) Put in place a staff performance appraisal system which would include FAORs and technical officers.	The Human Resources Management System (HRMS) team is currently working on developing the functionality of the new performance evaluation management system (PEMS), which will cover all staff members of the Organization. Meanwhile, an improved performance appraisal system for the FAORs has been developed and approved by Management for immediate implementation on an interim basis pending the development of the PEMS.
4	18b). (For implementation by 2008) Regional experience should be positively taken into account in selecting for more senior HQ posts.	Management agrees with this recommendation. In this regard the current recruitment/selection process already considers the depth and breadth of international experience, especially in developing countries, as one of the major selection criteria.

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4	17a). (For implementation by 2007) Extend the ongoing project to develop competency requirements to all decentralized posts, including FAORs, and make the requirements specific to each post.	Management supports this recommendation. The work on the development of competencies for FAO Representative positions is nearing completion, and the set of competencies is expected to be ready and operational before the end of this year. This exercise will be considered for extension to other decentralized positions during 2006.
4	17b). (For implementation by 2007) Put in place open and competitive procedures for selection to all regional and FAOR posts, including open advertisement, competency assessment and balanced selection panels.	Management agrees with this recommendation. In fact the proposals made in this recommendation are already being applied. Roster vacancy announcements for FAOR positions on a regional/language basis are issued regularly and are also available on the FAO Web site. This has helped in increasing the pool of qualified applicants for the FAOR positions. Competency assessments will also be applied once the current work on FAOR competencies is completed (see above). The interview and selection panel for FAORs has been expanded to bring in the necessary varied perspectives and balance in particular. It now includes the Assistant Director-General of AF Department and the Assistant Director-General of TC Department in order to bring more administrative and field programme considerations to bear on the selection process. This is in addition to the DDG, Directeur de Cabinet and Director OCD. Efforts are ongoing to fine-tune further the screening of applicants for inclusion in the roster of suitable candidates from which appropriate short lists of qualified candidates can be drawn up for any particular assignment.
4	18e). (For implementation by 2008) Give greater attention to gender balance when recruiting for decentralized offices.	Management supports this recommendation. It is recognized that while efforts are being made to ensure gender balance in the staff of the Organization, further efforts are particularly needed when recruiting for decentralized offices. AF Department issued a Circular Memorandum on 23 May 2005 on Gender Representation in the Professional and Higher Categories in Decentralized Offices. The memorandum noted the significant disparity in the percentage of women in the professional and higher categories between headquarters (32%) and decentralized offices (18%). Referring to the recommendation of the Independent Review of Decentralization, the memorandum reminds departments of the priority consideration that needs to be given to the recruitment of qualified female candidates for decentralized office positions. Management is determined to ensure that further progress is made in this area in the coming biennia.

Cat	Recommendation/Other suggestions	Status
4	18c). (For implementation by 2008) Training for decentralized staff should be given close attention.	Management supports this recommendation. While efforts are ongoing to provide training to the staff of decentralized offices, it is recognized that more efforts, careful planning and monitoring are required. Budgetary constraints have impinged on staff training, with the most detrimental effect on staff in decentralized offices, particularly when it involves participation in seminars, workshops and training courses and travel to Sub-regional or Regional Offices or to headquarters. As the FAORs are given more authority and responsibility in personnel and budgetary administration and management, as well as for project development and implementation, efforts will be made in the coming biennia, within the budgetary constraints, to organize appropriate training opportunities for them. The utilization of staff development allocations by the decentralized offices are being carefully monitored with a view to offering appropriate advice and guidance, as necessary, from the concerned headquarters divisions. AF Department is assisting OCD in the appropriate management of training budgets, use of alternative training media, delivery of corporate training packages, as well as training needs assessment for decentralized offices. In addition, GI, TC and other departments, together with OCD, are providing support to the decentralized offices in enhancing their training opportunities. It is planned to develop a comprehensive approach to staff development in FAO decentralized offices. Management expects further progress in this area in the course of the next biennium.
4	18a). (For implementation by 2008) Develop a staff rotation policy.	Management agrees with these recommendations. AFH has initiated an analysis of the feasibility of having a rotation policy at FAO. In a parallel exercise, the specialized agencies of the UN common system have been consulted in order to obtain relevant information on their policies and practices on intra-organizational mobility, as well as their other experiences with staff rotation policies. A comprehensive paper will be developed, establishing policy guidance on this subject, by early next year.
4	9d). (For implementation by 2007 in parallel with Recommendation 8) A rotation policy should be instituted between HQ and the regions.	



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<b>5</b>	<b>Budgetary Issues</b>	
<b>5</b>	13. (Over the forthcoming biennium 2006-07) Reduce the number of regional and sub-regional technical posts by 15-20% in order to free resources for staff travel, improved consultation between FAORs and HQ and greater use of regional expertise.	While Management recognizes the importance of travel by staff in the decentralized offices and appreciates the underlying reasons for this recommendation, it is difficult to understand how greater advice and assistance can be provided to countries by reducing the already small number of regional and sub-regional technical posts by 15-20%. While the root cause of the problem lies in the severe budgetary constraints experienced by the Organization, efforts have been made to identify more non-staff resources for the decentralized offices. In reviewing the technical department budgetary submissions for the 2006-07 biennium and in budgetary meetings with the Regional Offices in June 2005, PBE has strongly encouraged all concerned units to assign sufficient non-staff resources to support the work of decentralized technical officers. Corrective action was taken in finalizing the PWB 2006-07 to ensure that non-staff resources for decentralized technical officers were at least maintained at the same level as in the current biennium under the ZRG scenario. In fact, the non-staff resources budgeted in the PWB 2006-07 at ZRG for technical programmes (chapter 2 and MP 3.1) in the Regional and Subregional Offices has increased by US\$1.1 million (8%) and the Director-General's reform proposals include further increase in the proportion of non-staff resources throughout the Organization.
<b>5</b>	5b). (For early and continuing implementation) For countries with an FAOR, reduce the number of vacancies and seek the continuous presence of an FAOR and the overlapping of outgoing and incoming FAORs.	While Management supports this recommendation, its implementation will only be feasible if sufficient budget is available for the decentralized offices. This recommendation will be progressively implemented in the proposed PWB 2006-2007 at ZRG and RG. Major Programme 3.4 has been allocated an additional US\$2.5 million at ZRG, along with expected improved income recovery of US\$1 million, to mitigate the severe impact on the operational capacity of the FAOR network stemming from a net reduction of US\$5.2 million in the biennium 2004-05. Under the RG scenario, MP 3.4 receives an additional \$4.3 million to partially restore the responsiveness and capacity for service delivery by FAO Representations at a more sustainable level and ensure appropriate implementation and follow up of FAO's country programming process using National Medium-term Priority Frameworks and strengthening FAO's participation in UN Country Team activities (e.g. CCA/UNDAF, PRSPs, MDGs, etc.).

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5	5c). (For early and continuing implementation) Replace the majority of internationally recruited administrative officers in FAO country offices with suitably qualified and graded nationals.	Management has agreed to convert 12 International Administrative Officer posts (out of currently existing 17 such posts) to National Administrative Officer posts in the next biennium, together with specific measures to address the financial management risks involved.
5	5e). (For early and continuing implementation) Insist more on the provision of national inputs into FAOR offices	Management supports this recommendation. While it will be extremely beneficial for the Organization to have enhanced national inputs to FAOR offices, it must be noted that national support to some FAOR offices already falls short of agreed levels. A dramatic improvement should not be expected under current host country agreements. Hence a study on this subject was undertaken by the Secretariat which also included a complete review of all host country agreements. Proposals for differentiating host countries on the basis of their level of development and requesting more advanced countries to cover most of the local costs of the country office are included in the Director-General's proposals for reform.
5	5f). (For early and continuing implementation) Use volunteers, secondments and national expertise	Management supports this recommendation. A survey undertaken by the Secretariat in response to this recommendation shows that good progress is being made by FAO's decentralized offices in using secondments, national expertise, APOs, fellows and various types of volunteers, including FAO volunteers, UN volunteers and U.S. Peace Corps Volunteers. However, efforts have been initiated to improve their use by simplifying contractual arrangements, lengthening the duration of assignments, enhancing information sharing and developing an up-to-date policy covering the different types of agreements with individuals and institutions. AFH has commenced work to review and revise the policy and procedures for the assignment of volunteers and interns.
5	5g). (For early and continuing implementation) Use flexible measures to mobilize additional resources, including extra-budgetary resources	Management supports this recommendation. TC Department is developing a mechanism for FAO to set up Advisory Panels of Experts at country level, for possible implementation in 2006.

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5	6b). (For early implementation) If the scheme (OTO/FAORs) is continued, cease relying entirely on national contributions to fund the office	Management appreciates the concerns which are reflected in this recommendation. However, its implementation would run counter to the specific provision of the relevant governing body decisions on the OTO/FAOR scheme. In view of this, the Secretariat will continue to follow-up with the countries concerned to ensure that they meet their obligations relating to the OTO/FAORs. See also Category 2, 6a.
5	7c). (For implementation by 2007) TCE should receive increased Regular Programme funding through adjustments within Chapter 3	Management supports increasing the Regular Programme funding for some TCE central functions and modest proposals to this effect have been made in the PWB 2006-07 under the ZRG scenario. Significant increases, however, may prove difficult as the Organization's overall budget continues to decline in real terms.
6	<b>Procedures, Streamlining and Efficiency</b>	
6	20b). (For early implementation) For the above projects (where the FAOR is authorized to receive funds), develop streamlined procedures for technical consultations and approval, if necessary.	Management supports this recommendation for small and straightforward projects. The Field Programme Circular mentioned under Category 3 Recommendation 20a on the "Procedure for the treatment of extra budgetary contributions by local donors in support of field programme activities (not exceeding UD\$150 000 or local currency equivalent)" addresses this recommendation.
6	22b). (For phased implementation by 2007) Transfer personnel servicing of FAOR staff (except appointment and transfer of FAORs) from OCD to the MSUs in the ROs	<p>An inter-departmental Working Group (including participation of RAF) was established to i) review the recommendations regarding the decentralization of a number of administrative processes including personnel servicing (Recommendation 22b), travel processing (Recommendation 22c), imprest account validation (Recommendation 22d), local audit (Recommendation 22e) and inventory management (Recommendation 22f); ii) consider the cost effectiveness of these recommendations as well as the need for associated monitoring, oversight and control mechanisms, and iii) make proposals accordingly.</p> <p>Five guiding principles were agreed by the Working Group regarding this recommendation: i) there is an urgent need for delegation of more authority to FAORs; ii) in any proposal, a distinction should be made between (a) Human Resources (HR) management/decision making and (b) processing/servicing of personnel; iii) rationalization and streamlining of current procedures is required; iv) any proposal should aim at addressing the</p>

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		<p>current fragmentation of processes with a view to ultimately allowing a central processing and multiple decision-making centres according to the location of the budget holder; v) in the long term, the ultimate option of centralizing personnel servicing functions to a low-cost location should be implemented.</p> <p>These recommendations have been taken up in the Director-General's reform proposals where, for administrative purposes, there would only be two layers: each decentralized office would have its own internal capacity to handle all delegated functions. All transactions exceeding the delegated authority will be referred directly to a Service Centre at Headquarters for processing. There would be no intermediate level of administration.</p>
6	22c). (For phased implementation by 2007) Transfer travel functions from OCD ROs and FAORs.	<p>The inter-departmental Working Group, mentioned under Recommendation 22b above, recommends the transfer of travel functions to the Regional Offices and ultimately the centralization of travel processing in one location.</p> <p>Further developments to or replacement of Atlas, the existing travel management system, is an essential condition to allow the "regionalization" of the travel processing function. It is being pursued on a priority basis.</p> <p>In order to achieve long-term cost and efficiency savings, the Working Group also recommended to streamline the entire administrative process relating to travel operations. In this regard, the Working group made three proposals which require further review: i) the simplification of travel claims; ii) the electronic processing of Travel Expense Claims (TECs); and iii) the direct processing of all travel related costs.</p> <p>The above Working Group proposals are inter-related with the changes in internal administrative processes which are part of the Director-General's reform proposals.</p>

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6	22d). (For phased implementation by 2007) Transfer imprest account validation and support functions from HQ to ROs.	The inter-departmental Working Group, mentioned under Recommendation 22b above, notes that validation as a function for FAOR imprest accounts no longer exists and recommends continuing the work already undertaken by the Finance Division to also eliminate imprest account validation support functions through workflow re-engineering, leveraging technology and improving training.
6	22e). (For phased implementation by 2007) Have Regional Auditors supervise FAOR audits	The inter-departmental Working Group, mentioned under Recommendation 22b above, carried out a careful review of the cost effectiveness of this recommendation as well as the need for associated monitoring, oversight and control mechanisms. The Working Group recommended to maintain the current arrangements for supervising local audit, based on the assumption that decentralization of this function, while maintaining the required local audit coverage, would i) result in additional staff and costs and ii) hamper the necessary global coordination and monitoring of the activity. The work on this recommendation should be considered as completed.
6	22f). (For phased implementation by 2007) Transfer regional inventory management to ROs.	The inter-departmental Working Group, mentioned under Recommendation 22b above, carried out a careful review of the cost effectiveness of this recommendation as well as the need for associated monitoring, oversight and control mechanisms. The Working Group recommended to improve the data entry and inventory management system for "expendable items" in the Regional Offices while simultaneously maintaining the central repository of information regarding "non-expendable" properties at headquarters. Initial costs related to the proposed system improvement should be offset by efficiency savings over an estimated three-year period. Management decision on this matter is expected once the PWB 2006-07 has been approved by FAO governing bodies.

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7	<b>Partnerships</b>	
7	2) Strengthen partnerships at the country and regional levels, especially with WFP, IFAD and IICA.	Excellent cooperation among FAO, IFAD and WFP has been established and cemented over recent years through regular contacts and consultations at different levels, and joint collaboration has been forged on substantive issues and major concerns common to all three organizations. Progress on cooperation among the three institutions is overseen at both the Executive Head and deputy head level of the organizations. Still, an effort will be launched in September to identify possible ways and means of enhancing collaboration beyond the current level. With regard to strengthening of cooperation with IICA, proposals have been received from the FAO Regional Office for Latin America and the Caribbean. These proposals are being reviewed at headquarters, in consultation with the concerned departments, before taking any specific new initiatives. This review process is expected to be completed by the end of this year. It may also be indicated that the overall partnership issue for FAO has been considered in the paper entitled "FAO and the challenge of the Millennium Development Goals: The road ahead". Further initiatives in this regard are included in the Director-General's reform proposals for the whole organization.