

FAO Reform ■

Part I. The Director-General's revised proposals

Part II. A vision for the twenty-first century



FAO Reform
Part I. The Director-General's revised proposals
Part II. A vision for the twenty-first century

PREFACE

The beginning of the twenty-first century has been marked by the setting of the Millennium Development Goals (MDGs), of which the first is to eradicate extreme poverty and hunger, with a target of halving them by 2015. The goals, reaffirmed at the recent UN Summit, have become the driving force for the UN system, including FAO, as the first years of the century unfold. It will be a century in which FAO must work towards the permanent eradication of human hunger and a much more sustainable use of natural resources so that these remain intact for use by future generations.

There are compelling reasons for FAO to embark on a process of reform to confront these challenges. In promoting hunger and poverty reduction, and in addressing the agriculture/environment interface, FAO needs to enhance its capacity to respond to immediate problems, such as consumer concerns about food safety, the threats posed by transboundary pests and diseases of plants and animals, forest loss and degradation, overfishing, and natural and human-induced disasters. At the same time, the Organization must maintain its focus on the longer-term implications of issues such as climate change, the erosion of biodiversity, urbanization and changing consumption patterns. In so doing it must also accede to the wish of its Members that it adapt in response to their evolving requirements for services, and achieve even greater efficiency and impact in the use of its limited resources.

Convinced that change is essential - not adding and subtracting on the margins, but rather re-engineering the Organization's programmes and its structure - the Director-General submitted a package of reform proposals to the Conference of FAO's Members, which met in November 2005. The aim of these proposals is to equip the Organization to play an increasingly effective role in assisting its Members in the areas of its mandate, and in contributing to the broader effort by the UN system to achieve all of the MDGs. In its Resolution on Reforms in the Organization, the Conference welcomed this initiative and shared the Director-General's assessment of the need to enhance the Organization's ability to fulfil its mandate. It expressed "general support for the rationale and guiding principles underlying the Director-General's reform proposals as a basis for further deliberation and implementation of the reform of the FAO." It looked forward to the results of the Independent External Evaluation (IEE) of FAO as "a guide to enhancing the effectiveness and efficiency of the Organization", and stressed that the IEE and the reform proposals should be mutually supportive. Finally, the Conference authorised the Director-General to start progressive implementation of a number of his proposals and mandated the Council to decide on further implementation as soon as possible and appropriate.

The FAO Council will meet in November 2006, following meetings of the Programme and Finance Committees in September, 2006. In preparation for their discussions, the Director-General has prepared revised proposals based on the Conference's decisions and guidance, and wishes to consult the Regional Conferences on them so that their views can be fed into the decision-making process.

The present document, intended to facilitate consideration of the proposals by the Regional Conferences, is based largely on an information paper entitled "FAO Reform: A vision for the twenty-first century" (C 2005/INF/19) issued in October 2005 to mark FAO's 60th anniversary and to place the reform proposals in an historical perspective. That perspective, unchanged, is contained in Part Two of this document. Part One instead outlines the case for reform in FAO and the process followed so far, updated to take Conference decisions into account, following which it explains the revised proposals of the Director-General for changes to both the programmes and the structure of the Organization.

TABLE OF CONTENTS

PREFACE	III
SUMMARY	VII
I. THE CASE FOR REFORM IN FAO	3
UN system reform	3
Addressing the MDGs	4
Developments within FAO	5
The process	6
II. THE GOALS AND SHAPE OF THE REFORM	11
Goals	11
Shape of the reform	11
Restructuring FAO's programmes	12
Chapter 2: Sustainable food and agricultural systems	13
Chapter 3: Knowledge exchange, policy and advocacy	15
Chapter 4: Decentralization, UN cooperation and programme delivery	17
Organizational structure	18
Headquarters	18
Decentralized offices	21
Roles and relationships	22
Achieving efficiency and performance gains	24
Aspects of the budgetary proposals	24
Reinforcing monitoring, evaluation and oversight	26
EXPLANATORY NOTE	28
<i>THE VISION OF FAO'S FOUNDERS</i>	29
III. FAO'S 60 YEARS (1945-2005)	30
IV. RESPONDING TO THE CHALLENGES OF THE TWENTY-FIRST CENTURY	34
Contributing to the eradication of poverty and hunger	34
Raising the sustainability of production and distribution systems	35

V. FAO'S SECOND 60 YEARS: EVOLVING PRIORITIES, NEW OPPORTUNITIES	37
Harnessing knowledge for agriculture	37
Sharing the benefits of urbanization and globalization	38
Emergence of new institutions, growing capacities in developing countries	38
Renewed commitment to rural investment	39
Reducing the impact of disasters and improving emergency preparedness	40
CONCLUSION	41
ANNEXES	43
Annex 1	43
External reviews from January 1994 to September 2005	43
Annex 2	46
Proposed organization chart - FAO headquarters	46
Annex 3	47
Table 1a: Evolution of posts - post counts by location	47
Table 1b: Evolution of posts - post counts by location, taking into account co-located subregional offices in regional office locations	48

SUMMARY

The Director-General submitted a package of reform proposals to the Conference of FAO's Members, which met in November 2005. The aim of these proposals is to equip the Organization to play an increasingly effective role in assisting its Members in the areas of its mandate, and in contributing to the broader effort by the UN system to achieve all of the MDGs. In its Resolution on Reforms in the Organization, the Conference welcomed this initiative and shared the Director-General's assessment of the need to enhance the Organization's ability to fulfil its mandate. It expressed "general support for the rationale and guiding principles underlying the Director-General's reform proposals as a basis for further deliberation and implementation of the reform of the FAO." It looked forward to the results of the Independent External Evaluation (IEE) of FAO as "a guide to enhancing the effectiveness and efficiency of the Organization", and stressed that the IEE and the reform proposals should be mutually supportive. Finally, the Conference authorised the Director-General to start progressive implementation on a number of his proposals and mandated the Council to decide on further implementation as soon as possible and appropriate.

The reforms proposed will redefine the Organization's programmes to reflect more accurately the three major thrusts of its work, as approved by the Conference:

Sustainable food and agricultural systems. Targeting activities in which FAO must attain or retain capacity for excellence; this involves reinforcing activities of highest priority in the immediate and longer-term, and shedding those that others can do better, in the areas of crops and livestock, biosecurity, nutrition and consumer protection, forestry, fisheries and aquaculture, and the sustainable development of natural resources

Knowledge exchange, policy and advocacy. Focusing strongly on these functions in which FAO has a comparative advantage owing to its universality, its convening capacity, mandate and advisory role in agricultural information, policy and trade, and its ability to mobilize and interact with various constituencies - governmental and non-governmental - to promote economic and social development.

Decentralization, UN cooperation and programme delivery. Locating action at the level at which it can be carried out most effectively, and cooperating fully with partners, concentrating especially at country level on the achievement of the MDGs and emergency/post-crisis management; strengthening relationships with UN organizations at all levels and enhancing cooperation with regional and subregional bodies.

Across all programmes, the proposals involve action to:

- accentuate FAO's role as a knowledge, learning and capacity-building organization, with an important function in identifying, disseminating and promoting best practices;
- focus resource mobilization activities on stepping up investment in the rural sector in member countries, to increase the sector's crucial contribution to development;
- strengthen FAO's coordinating role in addressing major threats to crop, livestock, fish and forest production and consumption;
- amplify the Organization's impact by expanding alliances, partnerships and joint programmes with organizations having similar goals;
- enhance responsiveness, transparency and communication with Members and all stakeholders.

Implementing these changes calls for:

- restructuring of headquarters units to align them more closely with FAO's redefined programmes, within no more than eight departments as decided by the Conference, and creating a flatter management structure;
- further decentralizing FAO's work to regional, subregional and country levels, with a rise in the proportion of Regular Programme professional posts in the decentralized locations;
- providing more flexible means of action by increasing the proportion of non-staff resources, coinciding with an increase in resources available for acquiring specialized short-term expertise as, when and where needed;
- strengthening mechanisms for knowledge sharing and interdisciplinary approaches, taking full advantage of the potential of information and communication technologies;
- streamlining business processes, introducing greater delegation of authority and clarified accountabilities, and focusing on staff training and motivation;
- reinforcing monitoring, evaluation and oversight of all of FAO's programmes.

FAO, in its founders' words, was "born out of the idea of freedom from want", meaning "the conquest of hunger and the attainment of the ordinary needs of a self-respecting life". In looking back over the six decades since it was born, on 16 October 1945 in Quebec City, Canada, the Organization can legitimately claim to have played its part in a remarkable success story of the second half of the twentieth century - that food production has kept up with the growth of a world population that has tripled in numbers, and that the proportion of people suffering from hunger has been cut from 35 percent in 1960 to 13 percent in 2000-02.

At the same time, the founders' vision of freedom from want has not yet been realized, as was recognized by the 1996 World Food Summit, which first set the target of halving the number of undernourished people by 2015. In embarking now upon a process of reform, FAO will signal its commitment to a renewed effort to achieve the goal, expressed in the Preamble to its Constitution, of "ensuring humanity's freedom from hunger".

Part I.
The Director-General's revised proposals

I. THE CASE FOR REFORM IN FAO

1

Evolving priorities and new opportunities would be sufficient in themselves to suggest that FAO needs to adapt itself to continue serving its Members effectively in the coming years. It is also evident that the Organization has been constantly adapting over the past six decades and that it could continue to do so through a process of gradual change and improvement over a period of years, in response to new and differing requirements. Such would be a "business-as-usual" scenario.

2

The Director-General's decision to propose, instead, a far-reaching reform for immediate implementation has been prompted both by developments in the wider environment of the UN system, and by reflections and consultations within the Secretariat and in the deliberations of its Governing Bodies, primarily during the year 2005. This section examines these developments and explains the process followed so far in consulting on the proposals, with a view to implementing the decisions taken by the Conference in November 2005 and facilitating consensus on the remaining proposals by the time of the Council in November, 2006.

UN system reform

3

The year 2005 saw a remarkable succession of significant developments of high relevance to FAO. The UN's 2005 World Summit brought into even sharper focus the actions needed to achieve the internationally agreed goals, in particular, the overarching MDG 1, which explicitly recognizes the interrelationship between hunger and poverty and the imperative of reducing both. This message was at the core of the two World Food Summits FAO has held in the past decade: that it is acknowledged in the broader context of these global development goals is a vindication of the Organization's advocacy on behalf of the food-insecure. But while stating the goals was a crucial step, they are far from being attained, and UN organizations are seen as having an important role in assisting countries to achieve them.

4

The expectations of UN Members are that the system must reform itself in order to rise to this challenge. In an important section of the Outcome Document of the 2005 World Summit, Heads of State and Government pledged to "enhance the relevance, effectiveness, efficiency, accountability and credibility of the UN system". As one of the oldest of the specialized agencies, FAO must reflect seriously on the situation in which the system finds itself, facing such pressing calls for reform in order to eliminate overlap and duplication in mandates and ensure stronger system-wide coherence and effectiveness. Part of the momentum for change comes from the concepts of partnership, coordination and harmonization that are reflected in the Paris Declaration on Aid Effectiveness: ownership, harmonization, results and mutual accountability, adopted at the Paris High-Level Forum in March 2005. UN organizations are expected to take account of changes in the approach adopted by major multilateral financing institutions and by bilateral donors, aiming at promoting full national ownership of development strategies and programmes, and national accountability for results. Following adoption of the Resolution on the Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System by the UN General Assembly in 2004, the FAO

Conference requested the Director General to take appropriate actions and to submit an interim report on the implementation of the resolution to the next Conference.

5

The process of UN reform began several years ago. However, initially the concentration has been on achieving greater coherence among the UN funds and programmes, both centrally and at the country level. In future, attention is expected to focus particularly on the specialized agencies, and it is within this framework that a proactive response from FAO is required. Recent donor studies claim that the agencies, including FAO, have been slow to adapt themselves to the changes in the wider environment of development cooperation. Having global sectoral mandates, the agencies are very different in nature from the UN funds and programmes, the IFIs or donor organizations. They have important responsibilities for norm-setting and the production of global public goods in the areas of their mandates; with respect to supporting country efforts, their principal comparative advantage is seen by some as being in the areas of advocacy, policy and technical advice, and capacity building, and by others in developing pilot projects as a basis for upscaling at national level and coordinating regional and international programmes.

6

In general, the agencies face similar challenges in maintaining the appropriate balance between their global work and the need to provide services to individual member countries. However, they are custodians and depositaries of knowledge in their respective fields of competence and represent a significant investment by their Members, over many years, in building up a wealth of information, experience, technical expertise and analytical capacity, which makes them well-placed to provide evidence-based advice on policy and technology options, and to facilitate capacity building and the transfer of knowledge. It is therefore essential that the specialized agencies participate proactively in the next phase of UN reform, which is expected to find ways of drawing on all the knowledge and experience available within the system to support development in member countries.

Addressing the MDGs

7

The urgent need for decisive action on FAO's part to respond to these concerns became even more apparent in the context of discussions in the UN Chief Executives Board (CEB), during which the developments outlined above were addressed collectively by the heads of UN organizations. In early 2005, FAO re-examined all of its programmes in the light of the MDGs and of the ongoing process of UN reform. The review found that much of FAO's work is already contributing directly or indirectly to achievement of the MDGs. It concluded that about half of the Organization's effort in relation to the MDGs is directed towards MDG 1 - to eradicate extreme poverty and hunger. Important contributions are made to MDG 7 - to ensure environmental sustainability, as well as to MDG 3 - to promote gender equality. Significant indirect contributions are made to MDG 4 - to reduce child mortality; MDG 5 - to improve maternal health; and MDG 6 - to combat HIV/AIDS, malaria and other diseases. FAO's increasing engagement in alliances and partnerships, as well as its work on commodities and trade, responds to MDG 8 - to develop a global partnership for development.

8

The review also recognized, however, that the Organization needed to "critically re-examine its own role within the [UN] system and articulate how it will adapt to face the challenges ahead". It noted that the focus of efforts to achieve the goals will be at the country level, and that FAO needs to determine where and how its capacities should be most effectively deployed at this level in the context of the UN system's overall contribution to the process. The proposed strategy to enhance FAO's contribution as part of collective action by the UN

system to respond to the MDG challenge, had four main elements: advocacy to boost momentum in addressing the Goals; better targeting of FAO's own programmes; strategic alliances and partnerships; and cooperation, within the framework of the UN Resident Coordinator system, at the country level.

9

It was concluded that FAO should develop its role as a privileged adviser to governments in the spheres of its competence and engage fully in UN-wide reforms, strengthening its capacity to work in closer partnership within UN mechanisms such as the CEB and other relevant coordinating arrangements. It should also contribute to coordinating processes at the national level, especially Common Country Assessments (CCAs) and UN Development Assistance Frameworks (UNDAFs). The Organization must take these frameworks, as well as the Poverty Reduction Strategies or other relevant national strategies, as the key points of reference for improving priority setting for its own programmes at country level.

10

The review also pointed out the considerable scope that exists for expanding the range of joint programmes with other UN agencies, building on the successful experience of the Joint FAO/International Atomic Energy Agency (IAEA) Division of Nuclear Techniques in Food and Agriculture, the Joint Programme for Codex Alimentarius with WHO and the FAO/World Bank Cooperative Programme. One conclusion was that FAO might do more, in future, to assist countries in addressing the MDGs concerning child mortality, maternal health and combating diseases, all areas in which the importance of adequate nutrition is capital, and that this should be envisaged in the framework of joint work with other UN organizations dealing with these target groups.

Developments within FAO

11

In parallel with the review of FAO's contribution to the MDGs, a thorough survey was conducted on the nature of FAO as an organization that collects, generates, processes, standardizes, disseminates, transfers and applies knowledge in a continuous cycle. The conclusion that 80 percent of the knowledge was in the heads of individuals, within and outside the Organization, had far-reaching consequences, leading to the concept of knowledge networks.

12

The preparation of the reviews both of FAO as a knowledge organization and of FAO's contribution to the MDGs and UN reform coincided with consideration of the outcome of the Independent Evaluation of FAO's Decentralization. The recommendations of the evaluation were not entirely surprising, as FAO was already trying to address some of the problems, but they were far-reaching in their implications. It was clear that the decentralization process - one of the principal aspects of the reorganization in 1994 and further pursued in subsequent biennia - had still not produced the full benefits expected. The evaluation had acknowledged that the context of shrinking resources in which decentralization had taken place had had major implications for its effectiveness. Nevertheless, the recommendations made by the Independent Evaluation involved substantial modifications to the structure and functioning of FAO's network of decentralized offices

13

The evaluation emphasized the need to strengthen the Organization's capacity to respond to its Members' requirements in a relevant and timely fashion, with staff and consultants of the requisite calibre, familiar with the conditions of the countries. In order to do this, flexible

arrangements for identifying national priorities at country level in partnership with multilateral partners were found to be essential, as was effective decentralization of authority and placing staff in proximity to the countries, especially in those parts of the world where physical communications are difficult. It was also considered important to build a more networked Organization with increased interchange between headquarters and decentralized offices. In practice, implementation of these and other recommendations required simultaneous changes in FAO's headquarters structure to permit and reinforce their execution. Measures to address the recommendations needed to be accompanied by actions to bring about what the Council had described as "a major shift in organizational culture" in order to increase flexibility in execution and ensure clearer accountability for results.

14

The Independent Evaluation of FAO's Decentralization was one of the most recent of a series of external reviews and assessments on which reports had been submitted to FAO's Governing Bodies. These reviews, of which a list is provided in Annex 1, had addressed various aspects of FAO's programmes and operations following the Director-General's initial reform measures launched in 1994. While their recommendations had been carefully considered and accommodated to the extent possible, it was clear that, as was the case for the decentralization evaluation, substantial modifications to FAO's structure and ways of doing business might provide more fertile terrain for implementation of some of the more fundamental conclusions of these reviews.

15

At the time that discussions were taking place in the Council concerning decentralization, there was also a clear expression by some Members of concerns about FAO's planning and programming process. In efforts to meet past requests for greater transparency, the Organization has greatly modernized and systematized its planning, implementation, monitoring and evaluation processes, and increased the amount of reliable data and detailed information that it can provide to the Governing Bodies. At the same time, this may have also reinforced an impression of fragmentation in the programme and in resource allocations. In requesting streamlining and simplification, the Council was calling on the Secretariat not only to reduce the volume of documentation, but to arrive at a programme structure and form of presentation that would allow both Members and the Secretariat to focus their attention on major priorities.

The process

16

The prospect of formulating proposals that could significantly increase the Organization's capacity to meet the expectations placed upon it led the Director-General to request his senior colleagues to consult their staff and report frankly on management challenges and programme priorities for FAO in the future. Candid views were thus expressed, followed by presentation of priorities for each department. The Director-General's own reflections and the views of staff led to the conclusion that change was essential, and that what was needed was not to add and subtract on the margins, but rather to re-engineer the Organization, both its programmes and its management structure.

17

Another of the significant aspects of this internal reflection was the conclusion that while some gains have been achieved through implementation of new budget and financial management systems, and more will be attained as these are extended to cover human resources management, FAO needed to move beyond the technology aspects of efficiency gains and focus on broad-based business process transformation to eliminate redundant actions rather than merely streamline them. Programme and organizational restructuring would accelerate

this transformation process and enable the Organization to address substantive challenges and opportunities more coherently. A final important aspect concerned the balance to be maintained between "normative" and "operational" activities, a somewhat artificial distinction on which differing views and perceptions had always existed within the Membership. A focus on FAO's core business as a knowledge organization would provide a much more logical paradigm within which to frame programmes in the future.

18

The Director-General therefore took the decision to present, to the Thirty-third Session of the FAO Conference, a coherent package of proposals for implementation beginning in 2006. The proposals were contained in the supplement to the Programme of Work and Budget 2006-07 (C 2005/3 Sup.1). In the period after August 2005, when the reform proposals were announced, the Director-General engaged in a process of information and consultation with FAO staff, both at headquarters and in regional and subregional offices, as well as with a sample of FAO Representatives (FAORs). This involved meetings with senior management and with the Programme and Policy Advisory Board (PPAB) comprising all department heads, division directors and heads of independent offices, with the participation of the staff associations. He also had a separate meeting with the representatives of the staff associations. He met with all headquarters professional and general service staff in a series of divisional meetings. Following the meetings of the Programme and Finance Committees, he consulted by teleconference with all regional and subregional offices. Finally, he established and met with a number of interdepartmental working groups to examine and recommend detailed measures to implement the reforms.

19

The Director-General took into consideration the views expressed by the Programme and Finance Committees, the feedback from all of his meetings with staff, the Outcome Document of the 2005 World Summit and the suggestions of individual Member Nations and groups of Members, to amend the initial proposals presented in the Supplement to the Programme of Work and Budget 2006-07. These amendments were contained in the additional information submitted in C 2005/3 Sup.1 Add. 1.

20

The Director-General also held meetings with Members and groups of Members represented in Rome on a number of occasions since the beginning of the process. As each of the documents was issued, it was placed on FAO's Web site and delivered to all Member Nations in their capitals, as well as to all Members' representatives in Rome, in accordance with established procedures. Personal delivery to Ministers was also arranged in countries in which FAO has a representative.

21

The Conference considered the Programme of Work and Budget for 2006-2007 including the reforms proposed by the Director-General, and adopted two Resolutions, one on Budgetary Appropriations for the 2006-07 biennium and the other on Reforms in the Organization. As regards the budgetary appropriations, the approved level is US\$765.7 million. This represents a nominal increase of US\$ 16.6 million over the 2004-05 budget, essentially to meet escalating security costs. The budget does not compensate the Organization for inflation during the biennium, with the consequence that during 2006-07 US\$ 38.6 million are to be absorbed through further efficiency savings and programme reductions. The Budgetary Appropriations Resolution adopts the reformed chapter structure proposed by the Director-General, and requests that a revised PWB document be submitted to the May 2006 sessions of the Programme and Finance Committees for their approval.

RESOLUTION 6/2005

Reforms in the Organization

THE CONFERENCE

Welcoming the initiative of the Director-General to submit to the Conference reform proposals regarding the programmes, structures and ways of work of the Organization.

Noting that the Director-General had emphasized that reforms were necessary and urgent, and that they should be implemented regardless of the budget level, and that he intended to seek extra-budgetary support to meet part of the transitions costs,

Sharing the Director-General's assessment of the need to enhance the Organization's ability to fulfil its mandate through its normative and operational activities including through concrete contributions to the well-recognized challenges such as assisting Members and achieving the Millennium Development Goals (MDGs), and assisting developing countries' implementation of international agricultural and food standards,

Recognizing the need to respond to the renewed commitment to rural investment by all interested partners, and ever growing opportunities for harnessing knowledge for agriculture,

Taking into account the ongoing reform across the entire UN System, mindful of the necessarily dynamic nature of a process of adaptation to changing contexts and new demands,

Looking forward to the results of the Independent External Evaluation (IEE) of FAO as a guide to enhancing the effectiveness and efficiency of the Organization; and stressing that the IEE and the reform proposals should be mutually supportive. Also looking forward to the implementation of the recommendations of the Independent Evaluation of Decentralization and the management response,

1. Requests the Committee of the Council to make available the findings of the IEE.
2. Expresses general support for the rationale and guiding principles underlying the Director-General's reform proposals as a basis for further deliberation and implementation of the reform of the FAO.
3. Supports streamlining of administrative and financial processes aimed at achieving further efficiency gains and enhanced human resources policy and management; and authorizes the establishment of the Shared Services Centre.
4. Endorses the new chapter structure as reflected in general terms in document C 2005/3 Sup.1 and its Addendum as a basis for further elaboration of the Programme of Work and Budget (PWB) 2006-07 at the programme entity level for consideration by the Programme and Finance Committees in May 2006.
5. Acknowledges the need for strengthened decentralization of the Organization, and requests that as a first step the Director-General's proposals be implemented in on Region and one other Subregional office. It mandates the Council to decide on further implementation of the Director-General's proposals as soon as possible and appropriate.
6. Authorizes the Director-General to start progressive implementation of his proposals on changes to the organizational structure of Headquarters, without an increase in the number of Departments, by implementing a first stage (see Annex), in addition to those reform proposals that fall under his own authority.
7. The Director-General will consult with Members and Governing Bodies regarding the possible need for an Extraordinary Session of the Council at the end of June-early July.

ANNEX

- integrate the country policy assistance function with the Economic and Social Department;
- integrate the Investment Centre with the Economic and Social Department;
- unite the various advocacy activities, including TeleFood, Goodwill Ambassadors, and the International Alliance Against Hunger under one single unit;
- strengthen the knowledge management and capacity-building aspects of the Organization's technical and country assistance activities;
- integrate nutrition and consumer protection within the Agriculture Department, ensuring that emphasis on normative nutrition activities is maintained;
- integrate security functions.

(Adopted on 26 November 2005)

22

The Conference's resolution on Reforms in the Organization is contained in the box above. Through its main operative paragraphs the Resolution: authorizes the progressive implementation of a first stage of the reform proposals related to the organizational structure at Headquarters; acknowledges the need for further decentralization and requests as a first step the implementation of the proposals in one region and one additional sub-region; and supports the streamlining of administrative and financial processes, authorizing the establishment of a Shared Services Centre. The Council is mandated to decide on further implementation of the reform proposals as soon as possible and appropriate.

23

Since the Conference, the Director-General has continued his internal consultative process with the chairs of the various internal working groups established earlier and through meetings with senior management and the Programme and Policy Advisory Board, with the presence of the staff representatives. He has already arranged for the formation of a Joint Advisory Committee on FAO Reform, in which both management and staff are represented. The proposed reforms call for a well-planned and orchestrated adjustment process, aimed at ensuring that changes are introduced in a logical sequence and with minimum disruption to FAO's substantive work. Building on the Organization's past experience, transparency in the management of staff movements will be ensured through task forces on redeployment with the participation of staff representatives. They will play a crucial role in matching posts and expertise, a task that will be greatly facilitated by the number of posts already vacant and the mandatory retirements during 2005 and in the coming biennium.

24

Keeping in mind the social and human implications of the reform proposals, the Director-General on 3 August 2005 gave instructions to freeze recruitment of professional and general service staff with a view to having vacancies available to facilitate redeployment of existing staff when and where necessary. Consequently, on 15 December 2005 there were 154 vacancies at headquarters and 38 vacancies in decentralized offices in the professional and higher categories. For the general service, there were 84 vacant posts at headquarters and 79 in the decentralized offices. During the course of the present biennium, there will be additional posts becoming vacant owing to the mandatory retirement of 79 staff members at headquarters and 47 staff members in decentralized offices, in the professional and higher categories. The mandatory retirements during the same period for the general service category of staff will result in 53 vacancies at headquarters and 30 in decentralized offices. Other possibilities for staff redeployments will arise as a result of voluntary departure or retirement of staff.

25

The vacancies in the professional and general service categories will result in opportunities for lateral transfers, which will be reviewed and discussed with the participation of staff representatives in the framework of the redeployment task forces. Changes approved by the Conference in both headquarters and the decentralized offices are being implemented, and further changes will be implemented progressively, as approval is obtained and as negotiations are concluded with the host countries of the decentralized offices. The redeployment task forces will, as in the past, also address cases of separations on agreed terms.

26

As foreseen by the Conference, the Director-General has held consultations with Members through their Permanent Representatives in Rome regarding further discussions of the reforms by the Governing Bodies. It was concluded that there was no need for an extraordinary session of the Council in mid-2006, but that modified reform proposals could be submitted to and considered by the September 2006 sessions of the Programme and Finance Committees and the November 2006 Council. This decision makes it possible also to envisage discussion of the reform proposals at each of the Regional Conferences, so that the input of Members in these fora can be fed into the decision-making process of the Committees and the Council in the latter part of the year. Section II describes the substance of the reform proposals, modified to take account of the Conference decisions.

II. THE GOALS AND SHAPE OF THE REFORM

Goals

27

The aim of the reform is to enable the Organization to play an increasingly effective role in assisting its Members to achieve the goals of eradicating hunger and ensuring the adequacy and quality of global food and fibre supplies, produced in ways that safeguard natural resources and the cultural heritage and diversity of the world's rural populations. All of the Organization's activities must contribute to this effort, in fulfilment of the commitments of the 1996 World Food Summit and of the 2002 World Food Summit: five years later.

28

Evolving priorities and new opportunities require that FAO adapt its programmes and approaches in order to respond better in future to the needs and expectations of countries and the international community. Moreover, there is an immediate need for a proactive response by FAO to the process of reform of the UN system, as well as to the recommendations of the Governing Bodies, external evaluations and internal reviews, which, taken together, call for far-reaching changes.

29

These changes must be reflected in the Organization's programmes, which must be targeted more clearly and specifically to the priorities identified by its Members, and in its organizational structure, which must reflect the imperative of creating a unified FAO operating through a more coherent and decentralized structure. Measures to streamline FAO's ways of working are required, to achieve both greater efficiency and gains in performance; these must be accompanied by greater flexibility in resource allocation and by reinforced monitoring, evaluation and oversight systems.

Shape of the reform

30

To achieve these aims, the reform proposals involve a substantial re-engineering of the Organization. They:

- Redefine the Organization's programmes so that they reflect more closely the principal thrusts of its work, bring together activities that are mutually reinforcing, and shift resources from low- to high-priority programmes, shedding activities that other institutions can do better.
- Accentuate FAO's role as a knowledge, learning and capacity-building organization that assists countries, their decision-makers and technical specialists (and their institutions) to develop their own capabilities and to draw greater benefits from FAO's work, including through pilot programmes for transfer of suitable technologies destined for subsequent upscaling to national and regional levels.
- Concentrate FAO's global policy work on advocating for greater priority to sustainable agricultural and rural development and food security, and FAO's resource mobilization activities on raising the level of investment, from domestic and international sources, in the rural sector.

- Strengthen FAO's coordinating role in supporting countries in preventing and addressing major threats to crop, livestock, fish and forest production and consumption, leading to rehabilitation programmes and rebuilding of productive capacities.
- Amplify the Organization's impact by expanding alliances, partnerships and joint activities between FAO and other institutions that share and contribute to similar goals, first and foremost within the UN system.
- Focus on making FAO a more transparent, receptive, responsive and outward-looking organization, providing more information to Members and enhancing all forms of communication with FAO's various constituencies and with the public at large.

31

In order to facilitate achievement of these objectives, the proposals:

- Restructure the Organization's headquarters' departments and offices to align the structure more closely with the programmes and arrive at a better balance among units, adopting a "flatter" and less hierarchical structure and allowing greater flexibility in staff deployment.
- Re-engineer the network of decentralized offices to strengthen capacities to respond to the policy and technical support needs of developing member countries and Regional Economic Integration Organizations (REIOs) through further decentralization towards subregional offices, a reinforced country focus, improved priority-setting, greater synergy with other players and expanded recourse to South-South Cooperation.
- Associate structural reforms with the simultaneous introduction of streamlined business processes and greater delegation of authority, so as to clarify accountabilities, improve staff motivation, raise efficiency in the use of staff resources and facilitate interdisciplinary team work.
- Maximize the potential of scarce resources by introducing greater flexibility in their allocation, particularly through increasing the proportion of operational funds compared with those for human resources, combined with a shift in human resources from staff to non-staff resources.

32

Pervading these proposals is the intent to induce and create space for cultural change within the Organization - a change that will not come overnight but that is fundamental to improving its responsiveness to its Members, establishing its effectiveness as a knowledge organization and enhancing its global impact.

Restructuring FAO's programmes

33

Achieving the goals of the reform requires a redefinition of the overall structure of FAO's programme. The Conference adopted the new chapter structure as shown in the box below.

Proposed programme structure

- Chapter 1: Corporate governance
- Chapter 2: Sustainable food and agricultural systems
- Chapter 3: Knowledge exchange, policy and advocacy
- Chapter 4: Decentralization, UN cooperation and programme delivery
- Chapter 5: Management and supervision services
- Chapter 6: Contingencies
- Chapter 8: Capital expenditure
- Chapter 9: Security expenditure

34

Chapters 1, 5, 6, 8 and 9 contain the budgetary provisions necessary to discharge the Organization's governance and management responsibilities. (The former Chapter 7, Contingencies, becomes Chapter 6 owing to the reduced total number of chapters, but Chapters 8 and 9 are not renumbered because they are specifically referred to with the numbers 8 and 9 in the Basic Texts.) Chapters 2, 3 and 4 cover the three principal interdisciplinary thrusts of FAO's activities, and each of these three chapters brings together several groups of related programmes. Within all of these programmes, activities have been identified for elimination, for implementation through different means, or for reduction in resources to permit shifts towards work of higher priority. As mandated by the Conference, specific proposals in this regard will be contained in a further elaboration of the Programme of Work and Budget 2006-2007 at the programme entity level. This document, presenting revised proposals at the approved budget level, will be considered by the Programme and Finance Committees in May, 2006.

35

New cross-programme priorities - the use of thematic knowledge networks, the identification, synthesis and dissemination of best practices, and a focus on capacity building for individuals and institutions - will profoundly influence the choice and implementation of activities in all three chapters. FAO will promote the emergence of knowledge networks at two levels: one axis will be to improve knowledge sharing and exchange among staff in different locations while the other will be between FAO and experts in centres of excellence in member countries. By deliberately extending its involvement in theme-based knowledge networks, FAO will strengthen its links with the global knowledge community and thereby have a greater influence in debates on global issues. In relation to best practices, the Organization's experience acquired in programmes and projects, and that of partners and member countries, needs to be synthesized and made more widely available in forms appropriate to various types of users - not only those within the Secretariat and in FAO's technical cooperation programmes, but also policy-makers and practitioners in member countries.

36

The thematic focus of capacity-building activities will vary over time, but one of the underlying objectives will be to offer training opportunities related to themes of major and emerging significance. The main areas of focus will include:

- fellowships - adopting a proactive approach to identifying and filling fellowship opportunities for postgraduate and work-related training in both the North and South;
- setting up learning programmes on policy, consisting of courses, seminars, workshops and symposia, some to be held in Rome and some using distance-learning systems, targeted at senior policy-makers and analysts;
- extending the availability of adult education opportunities for rural people, including through farmers' field school programmes and other extension methods;
- institution-building for cooperatives, farmers' organizations, chambers of agriculture, etc.;
- theoretical and practical courses on production, conservation, storage and processing of agricultural products for extension staff, ensuring a multiplier effect through training of trainers.

Chapter 2: Sustainable food and agricultural systems

37

Chapter 2 includes areas of work that lay the foundation for sustainable food and agricultural systems, including forestry, fisheries and aquaculture. It brings together most of the Organization's activities relating to the food chain - from crop, livestock and food production,

through infrastructure and industries to ensuring consumer protection. It also emphasizes programmes that contribute to the responsible management and conservation of natural resources and their sustainable use. Within this overall field, the Organization will increasingly concentrate its resources on those areas of work for which it can retain a capacity for excellence because of its convening powers and multidisciplinary staffing. These will include promoting, developing and reinforcing policy and regulatory frameworks for food, agriculture, forestry and fisheries, in particular through international instruments.

Chapter 2 Sustainable food and agricultural systems

Agriculture, biosecurity, nutrition and consumer protection

Crop production systems management
Livestock production systems management
Diseases and pests of animals and plants
Nutrition and consumer protection

Forestry

Forestry information, statistics, economics, and policy
Forestry management, conservation and rehabilitation
Forest products and industry

Fisheries and aquaculture

Fisheries and aquaculture information, statistics, economics, and policy
Fisheries and aquaculture management and conservation
Fisheries and aquaculture products and industry

Natural resources, technology and sustainable development

Sustainable natural resources management
Technology, research and extension
Rural infrastructure and agro-industries

38

Under *Agriculture, biosecurity, nutrition and consumer protection*, FAO will address the range of issues involved in the food chain, or "farm to table", approach. This new focus will contribute to realizing the original vision of FAO's founders that the Organization must emphasize the larger framework of producer and consumer interests. Specific programmes will address:

- production, management and conservation of crops and livestock, including follow-up to the International Treaty on Plant Genetic Resources for Food and Agriculture;
- prevention and eradication of transboundary pests and diseases of livestock and crops, including but not limited to desert locusts and avian influenza, with emphasis also on the International Plant Protection Convention;
- stepped up work to address emerging challenges related to all aspects of food quality, biosecurity and consumer protection, including FAO's contributions to the joint programme with WHO servicing the Codex Alimentarius Commission;
- biotechnology applications, including the work of the Joint FAO/IAEA Division.

39

Work on *Forestry* will involve internal adjustments to reflect the importance of forest economics and forest management and conservation. Cross-cutting thematic work will be done on forest fire prevention and control and on reforestation. In *Fisheries and aquaculture*, increased importance will be accorded to aquaculture, given its growing significance in global fish output and rural livelihoods. Cross-cutting priorities will include promoting the uptake and implementation of the Code of Conduct for Responsible Fisheries and in particular the monitoring of fishing vessels and measures to ensure the safety of fishers, as well as other initiatives to ensure a better balance between marine fish stocks and capture levels.

40

Addressing *Natural resources, technology and sustainable development* involves bringing together and reinforcing the Organization's work on:

- climate change, including both agriculture's contribution to climate change processes and their impacts on farming;
- sustainable natural resources management, with particular reference to the vital role of water for secure and productive systems, soil degradation and depletion, land-tenure issues and mountain development and biodiversity, and their interaction with crops, livestock, forestry and aquaculture production;
- research and technology development and dissemination, including issues relating to promotion of the international research systems and strengthening national agricultural research institutes through postgraduate training of their staff and internships in relevant research institutions; strengthening of national extension services, which will be supported through policy assistance and training in theoretical knowledge acquisition and practical field experience;
- rural infrastructure and agro-industries, considering that the lack of water control, rural roads, storage and conditioning facilities, markets, slaughterhouses, fisheries ports, fish hatcheries/aquaculture ponds and cold chains for agricultural products are some of the most important factors limiting the development of productive and competitive agriculture, and that value addition through agro-industries is fundamental for generating employment and income.

Chapter 3: Knowledge exchange, policy and advocacy

41

Chapter 3 brings together FAO's economic and social development programmes and highlights the importance attached to enhancing the Organization's activities in support of knowledge exchange and capacity building, which are central to the work of the Organization but have not been explicitly recognized in the programme before now.

Chapter 3 Knowledge exchange, policy and advocacy

Economic and social development

Leveraging resources and investment
Food and agriculture policy
Trade and marketing
Agriculture information and statistics

Alliances and rural livelihoods

Alliances and advocacy initiatives against hunger and poverty
Gender and equity in rural societies
Rural livelihoods

Knowledge exchange, communication and capacity building

Knowledge exchange and capacity building
Information technology systems
Communication and public information

42

Programmes in the area of *Economic and social development* will continue to provide the analytical and statistical underpinning for policy assistance. They will encourage cooperation among centres of excellence to explore frontier knowledge as well as the lessons from historic and geographic experiences of agricultural development and the interface between the primary sector and the other components of the macro-economy. Areas of work will also include long-term perspective studies, reporting on the state of food and agriculture and of

food insecurity, trade and marketing issues, the economics of food and agricultural systems, and statistics, all of which will be drawn upon to furnish policy advice and capacity-building assistance. With regard to the mobilization of investment funds for members, through the Organization's joint programmes with the IFIs, and through cooperation with the Organisation for Economic Co-operation and Development (OECD) and other specialized institutions, the emphasis will be on assisting developing member countries to formulate national Medium-term Investment Programmes and related investment projects that address their most pressing needs. The follow-up to the 1996 and 2002 World Food Summits will include continued servicing of the Committee on World Food Security, as well as other efforts to ensure a central place for food security on the international agenda, and to promote policies and strategies to achieve the MDGs, particularly MDG 1. Support to member countries' participation in the international trading system will continue and be reinforced, particularly through capacity-building and training initiatives.

43

The set of programmes for *Alliances and rural livelihoods* responds to the importance that must be attached to engaging with a wide spectrum of stakeholders, within member countries as well as at the international level, in order to amplify the Organization's impact, recognizing that success in achieving the MDGs will depend not only on the actions of governments but also on those of non-state actors and peoples' organizations. Work under this heading will involve mainstreaming attention to gender issues, equity in rural society, community and child nutrition, as well as the special needs of indigenous people and those suffering from disease. These important activities will be closely associated with support to rural peoples' organizations and addressing the issues of rural employment. Partnerships and joint programmes will be particularly crucial in these areas, which address various MDGs and cut across the mandates of a number of UN organizations. With regard to advocacy for food security and rural development, FAO's cooperation with the other Rome-based UN agencies as well as with partners from civil society, parliaments, economic and social councils, national associations and decentralized national entities will be consolidated in a programme that will also provide the secretariats for the IAAH and the UN System Network on Rural Development and Food Security. The programme will promote adoption of the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security, and will manage activities related to World Food Day and TeleFood.

44

The imperative for FAO of adopting a more proactive approach to creating and sharing knowledge and best practices within the Organization and with Members and other centres must pervade all of FAO's substantive programmes. Although specialized activities will continue to be undertaken under the relevant programmes, there is nevertheless a need for planning, coordinating and facilitating this effort, as well as monitoring, reviewing and evaluating its results, through *Knowledge exchange, communication and capacity building* programmes. These must open up greater possibilities for sharing experience, harmonizing methodologies, and standardizing information systems, thus contributing to developing the capabilities of national institutions, as well as generating materials for communication to the general public. Work on the World Agricultural Information Centre (WAICENT) - as a major instrument in fostering knowledge exchange and capacity building in the handling of information - and associated tools would be particularly prominent under this programme, including extension of the WAICENT corporate model components to national levels. The programme would also include FAO's range of library services and the Global Information and Early Warning System (GIEWS). Another important task would be to spearhead the progressive implementation of interactive systems to support "Ask FAO" services, providing more direct and timely access by all potentially interested individuals or institutions to the wealth of information accumulated by the Organization and in Member Nations, in particular the dissemination of best practices. This activity would also feed into the outreach programmes of the Organization.

Chapter 4: Decentralization, UN cooperation and programme delivery

45

Chapter 4, under the heading *Coordination and decentralization*, acknowledges the priority that the Organization will give to strengthening cooperation with other UN bodies, both internationally and at the national level. It should foster the programmes of cooperation, undertaken within the framework of various FAO technical programmes, with other UN specialized agencies, funds and programmes. It will also be responsible for promoting and coordinating interaction with intergovernmental organs, particularly the UN Economic and Social Council. FAO's advocacy to raise the profile of the agriculture, fisheries and forestry sectors needs to be carried out not only in its own fora, but also through continued participation in meetings of these other bodies, if it is to convey the message convincingly to decision-makers outside the specific realm of FAO's traditional counterpart ministries. These actions need to be complemented by involvement in policy dialogue and support at the national level, in the context of a coherent UN system approach facilitated by country teams and the Resident Coordinator system. The chapter also provides the framework for coordinating FAO's decentralized services to Members, for monitoring FAO's contributions to the MDGs, for encouraging and facilitating development of further joint arrangements with other UN system organizations in various areas of common concern, and for forging, through the decentralized network, stronger links with regional and subregional organizations.

Chapter 4 Decentralization, UN cooperation and programme delivery

Coordination and decentralization

UN cooperation, integration and monitoring
Coordination of decentralized services

Outreach programmes

Food security, poverty reduction and other development cooperation programmes
Emergency and post crisis management

Technical Cooperation Programme

46

FAO's *Outreach programmes* include both normal technical cooperation activities and emergency and post-crisis management interventions. The relevance, coherence, quality, content, scale and financing of these programmes will be assured and monitored closely, through overseeing and backstopping the design and implementation of all technical cooperation and emergency interventions, especially in support of complex National and Regional Food Security Programmes and other undertakings related to the MDGs and Poverty Reduction Strategies. This area of work will also involve assembling and analysing information on country and subregional development objectives and strategies relevant to priority-setting for the Organization. Technical cooperation activities serve a dual function of, on the one hand, translating into action and operation the concepts and knowledge developed through FAO's global and norm-setting activities and, on the other hand, enriching the global work through feedback from field experience. An important aspect of the reform proposals is the introduction of a series of measures designed to enhance the sustainability and impact of all of FAO's technical cooperation activities. These will include adjustments to the design of programmes, the provision of planning for sustainability towards the end of the implementation phase, and the preparation of an obligatory report three months after the end of programme operations on the measures taken to ensure sustainability.

47

Mobilizing resources for the implementation of FAO's and related national programmes will include managing the *Technical Cooperation Programme* and handling relations with donors and national funding sources, to ensure that FAO's work is responsive to priority national

needs and is carried out within the framework of national development efforts. Because of budget cuts, the amount of technical assistance provided by FAO has declined over the years. The Organization has tried to address this problem by mobilizing more experts with the same resources, through recourse to the retired experts scheme, to programmes of technical cooperation among developing and transition countries, and also through using scientists under the programmes of cooperation with academic and research institutions. In addition, the South-South cooperation component of the Special Programme for Food Security (SPFS) has permitted mobilization of more than 600 technicians and experts, and thousands more could be mobilized for field work with farmers, livestock and aquaculture producers, fishers and foresters, at marginal cost thanks to the solidarity among developing countries, with support from multilateral financing institutions and bilateral donors. Donor support would also be crucial to allow the use of young professionals from developing countries, as is already the case with the programme for Associate Professional Officers (APOs) from developed countries.

Organizational structure

Headquarters

48

Because it is through the organizational structure that accountability is ensured for the implementation of programmes, the proposal involves a reorganization of the departments and offices at headquarters. The structure originally proposed by the Director-General to the Conference consisted of ten departments, two more than at present though without increasing the number of Assistant Director-General positions, and with the Offices of the Inspector-General and of Programme, Budget and Evaluation, together with the Legal Office, being the only independent offices that would continue to report to the Director-General. The aim in defining departmental responsibilities was to assemble the relevant expertise within the Organization in entities that would address, and be accountable for the achievement of, core corporate objectives, and bring together staff working on common or closely related problems to facilitate greater synergy in programme implementation.

49

This militated in favour of maintaining separate departments for major technical areas such as forestry and fisheries. It also conditioned the search for a logical balance in departmental size, taking into account the resources to be managed under both the Regular and extra-budgetary programmes. An important corollary of the proposal was to implement a “flatter” and less hierarchical management structure, so that within the departments the number of services would be contained, thereby reducing posts of staff engaged in managerial functions, lowering management overheads, providing greater flexibility in deploying staff and encouraging teamwork. Moreover, the elimination of management layers would considerably streamline decision-making processes.

50

In line with the Conference guidance, the proposed headquarters organizational structure, as shown in Annex 2, maintains a total of eight departments as at present. Within this constraint, the effort has been to achieve as far as possible the objectives of a) balance among departments, in terms of the technical areas to be addressed and the resources to be managed, and b) delayering of management to free resources particularly in the context of the ZNG scenario, which will also allow for flexibly addressing substantive issues. Four actions approved by the Conference, involving consolidation of various advocacy activities into a single unit, strengthening knowledge management and capacity-building throughout the Organization, integrating nutrition and consumer protection within the Agriculture Department, and integrating security functions, have already been implemented as from January 2006. On the other hand, the need to accommodate the headquarters structure within a smaller number

of departments militates against implementation of two proposals which had received the approval of the Conference, namely, the integration of both the Investment Centre and the country policy assistance function into the Economic and Social Development Department. Instead, this department will now include two divisions from the present Sustainable Development Department which were in the earlier proposal to have been located in a department dealing with alliances and rural livelihoods. The rationale for the Director-General's revised proposal is set out below.

51

In the Agriculture and Consumer Protection Department the two divisions dealing with production, management and conservation of crops and livestock will address all on-farm aspects of production systems up to the farmgate. A new division for diseases and pests of plants and animals will bring together work on plant and animal health issues at national and international levels - policies, standards, prevention measures and transboundary questions - with responsibility for ensuring a coherent response by the Organization to national and international crises. The consolidation of the plant and animal health functions in the same division, separate from the structures responsible for promoting production and trade, follows the approach adopted by a number of developed and developing countries. In some cases food safety issues are also integrated, and the WTO deals with plant and animal pest and disease issues together with food safety under a common framework in the SPS Agreement. Such an approach also underscores the validity of the rationale for moving the Nutrition and Consumer Protection Division to this department. As stressed by the Conference in approving the transfer, the division will maintain its emphasis on nutrition planning, assessment and evaluation, and on household food security and education programmes, as well as further bolstering work on the Codex Alimentarius, on food-safety assessment and on food-quality control, as part of the holistic food chain, or "farm to table" approach. The Joint FAO/IAEA Division in Vienna will continue to be organizationally a part of this department.

52

The Land and Water Division will move from the present Agriculture Department to the new Natural Resources, Sustainable Development and Technology Department, in recognition of the department's responsibility for natural resources on which forestry and fisheries as well as agriculture depend. For the same reason, the department will house divisions for Sustainable Agriculture, Climate Change and Natural Resources Management; for Technology, Research and Extension; and for Rural Infrastructure and Agro-Industries. All these are areas in which FAO needs to develop its own work, and closer links with partners in the public and private sectors, to promote the action and the investment needed for sustainable development in the agriculture, forestry and fisheries/aquaculture sectors. An important cross-cutting issue to be addressed by the department will be the economics of natural resources.

53

As at present, separate departments are foreseen to cover the forestry and fisheries sectors. The Forestry Department will be somewhat restructured internally to address the areas identified in the restructured programme under Chapter 2 of the budget. A similar approach will be taken for fisheries, with the new name of the department (Fisheries and Aquaculture) reflecting the significantly increased priority to be given to aquaculture in the programme.

54

The new focus on enhancing knowledge exchange and capacity-building, while it will permeate all FAO's programmes, requires bringing together various core functions (heretofore scattered in various departments) in a new Knowledge and Communication Department. The Department will include the Library and Documentation Service, the IT Systems, Concept, Development, Management and Maintenance Division (drawing on the present Information Systems and Technology Division in AF), the Knowledge Exchange and

Capacity-Building Division and the Communication Division which will continue the work of the present Information Division. The Conference and Council Affairs Division will also move here from the present General Affairs and Information Department.

55

The Economic and Social Development Department will group the Trade and Marketing Division, the Agricultural Development Economics Division and the Statistics Division, and will be responsible for the implementation of important programmes in the new Chapter 3 with a focus on enhanced knowledge generation. This will include, under food and agriculture policy, FAO's work on food security monitoring and reporting and follow-up to the two World Food Summits through the Committee on World Food Security, and promotion of policies and strategies to achieve the Millennium Development Goals (MDGs). Divisions addressing Gender and Equity in Rural Societies, and People's Participation and Rural Employment, will take up, with revised priorities, work heretofore carried out elsewhere in the Organization. The advantage of the transfer will be to reinforce the department's capacity to deal, in an integrated fashion, with the social as well as economic aspects of development, and to bring together, through networks, in-house expertise with that of centres of excellence elsewhere.

56

The revised proposal assigns responsibilities for certain aspects of organization-wide importance, under both Chapter 3 and Chapter 4 of the new programme structure, to three offices located in the wider office of the Director-General. An Office for Coordination of Decentralized Activities (OCD) will have the mandate assigned to the present OCD, except for security functions, which will move to the new Security Service, and human resource support functions which will move to the Shared Services Centre, both in the Department of Human, Financial and Physical Resources.

57

The Office of the Special Adviser to the Director-General and UN Coordination (SUN) will group units working in the present SAD and TCD on coordination of FAO's cooperation with UN system organizations at both international and country levels. The Office of WFS Follow-up and Alliances (OFA) will, as indicated by the Conference, unite various advocacy activities, including TeleFood, Goodwill Ambassadors, cooperation with NGOs and the private sector, and the International Alliance against Hunger.

58

The Technical Cooperation Department will remain substantially unchanged in structure at the divisional level, comprising four divisions covering the Investment Centre, Policy Assistance, Field Operations (which will also manage the Technical Cooperation Programme) and Emergency Operations and Rehabilitation. Enhanced priority will however be given, in the programmes managed by the department, to leveraging resources for and investment in the rural sector in developing member countries.

59

The Department of Human, Financial and Physical Resources (AF) will continue to include divisions dealing with Finance, Human Resources Management and Administrative Services. Its present IT responsibilities will be transferred to the new Knowledge and Communication Department. In addition to the new Shared Services Centre and the Security Service, both authorized by the Conference, the department will continue to house the Medical Service.

60

In any organizational structure, there is a need for effective mechanisms for facilitating interdepartmental and interdivisional work that can successfully harness multidisciplinary skills to address complex issues. The proposed structure allows for the functions of several Priority Areas for Interdisciplinary Action (PAIAs) to be converted into programmes located within defined structural entities, with a programme framework that ensures *ex-ante* rather than *ex-post* cooperation in planning, programming, resource mobilization, monitoring and evaluation, and reorientation of interdisciplinary activities. Sector responsibilities will continue to be assumed by the relevant technical departments. The formal responsibility for coordinating the remaining PAIAs would be assigned to specific units within the structure, with greater responsibilities being given to coordinators.

61

For the same reason, the proposals also envisage "institutional homes" within the structure for catalytic units to address the horizontal priorities. These comprise the thematic networks to strengthen communications with external individual specialists in centres of excellence within member countries, the cross-organizational work on best practices and the new emphasis on capacity building. In relation to these priorities, the relevant units in the Knowledge and Communication Department will be responsible for consolidating and maintaining corporate information, as well as planning, advising on methodologies, monitoring, evaluating and reorienting activities based on results, while the technical departments will provide the necessary intellectual and scientific framework for the work undertaken.

62

Finally, the composition and functions of a number of internal committees - which serve as advisory panels, assist in oversight or coordinate work transcending the responsibilities of individual units - are under review with the aim of streamlining or strengthening them. The Programme and Project Review Committee (PPRC) has been reviewed to ensure a focus on the MDGs and also a critical appraisal of project and programme proposals based not only on their individual merits, but also on their synergies with other projects and programmes, both of the Organization and of the countries concerned. This appraisal will cover all projects and programmes to be initiated by FAO.

63

With regard to the committees, commissions and other statutory bodies of the Organization, proposals will be made to streamline procedures for meetings and assist in focusing debates among Members, for instance by limiting the number of items for discussion, the others being for information. Secretariat presentations would be shortened. When necessary, side events could be organized.

Decentralized offices

64

The findings of the Independent Evaluation of FAO's Decentralization, coupled with the results of FAO's internal review of its contribution so far to the MDGs and the UN reform process, indicated the imperative of making FAO's decentralized network more effective in responding to Members' needs and ensuring more efficient use of staff resources in so doing. Based on the principle of locating activities at the level at which they can be most efficiently and effectively implemented, the main focus of the changes is on raising the capacity of the Organization to deliver services at country and subregional level, with the aim of assisting members to attain the MDGs, establishing the priorities for FAO assistance within existing frameworks including Poverty Reduction Strategy Papers, CCAs and UNDAFs, and within the purview of FAO's National Medium Term Priority Framework (NMTPF)

65

Country-level capacities will be built up through providing enhanced technical and administrative support to FAORs, staff training, the establishment of additional national professional officer posts, and greater delegation of authority to FAORs. While the principle of universality implies that FAO must make every effort to ensure that all Members can participate in the life of the Organization and draw benefit from it, the need for selectivity in allocation of resources requires that priority be given to assisting the neediest among the Members. Accordingly, FAO proposes to meet the full costs of country representation in the least developed countries (LDCs), low-income food-deficit countries (LIFDCs), land-locked developing countries (LLDCs) and small island developing states (SIDS), which at present number 115. In this group of countries, multiple accreditation arrangements will be used where relevant. In other member countries, however, the Organization would expect governments to meet any cost beyond the direct costs of one international professional and one support staff member to be funded by FAO.

66

Each country office will be able to access the services of a multidisciplinary team of policy and technical specialists located in one of 16 subregional offices. The heads of the subregional offices will be appointed at D1 level (most of these coming from lateral transfers following the flattening of the headquarters organizational structure) and will be responsible for the coordination of the multidisciplinary teams. The staffing of the subregional offices will be drawn from headquarters and decentralized offices. FAORs will be expected to allocate up to 30 percent of their time to contributing within their areas of technical expertise to the programme development and implementation work of the subregional offices and to transferring experience among countries. Refresher courses for FAORs, and updating of information in their areas of specialization, will be organized, drawing, *inter alia*, on telecommunications technology.

67

The regional offices will focus on regional activities, including liaison with regional bodies, formulating regional policies and strategies, servicing regional commissions and coordinating or implementing regional programmes. They will also continue to make arrangements for regional conferences. Subject to the agreement of REIOs, FAO officers would be appointed to facilitate cooperation with these organizations. FAO focal points reporting to the new Communication Division would also be posted in selected developed countries to strengthen the Organization's outreach to the general public as well as various stakeholder groups through information, communication and awareness-raising activities.

Roles and relationships

68

In general, FAO headquarters is best placed to deal with global issues and programmes, while decentralized offices have a comparative advantage in shaping, providing and channelling responses from the Organization to regions, subregions and countries. Therefore, the Regional Representatives, the Subregional Coordinators and the FAO Representatives are to be entrusted with providing pertinent and timely responses to demands for FAO services and inputs from member countries, as well as REIOs, in a coordinated and complementary fashion. They will also advise headquarters on the most appropriate way to integrate regional, subregional and country concerns in FAO's strategies, policies, programmes and projects. Effective coordination mechanisms and structures will be put in place to maintain unity of purpose and synergy between the Organization's global public goods functions and the provision of assistance to its Members. Coordination and team work will be promoted through, *inter alia*, country and project task forces, country-level National Medium-Term Priority Frameworks (NMTPFs), the participation of FAORs in the

multidisciplinary teams of subregional offices, staff mobility, and the establishment of knowledge management networks.

69

In brief, the main responsibilities of the decentralized offices will be:

- FAORs will lead FAO's response to country assistance needs, supported primarily by the subregional offices;
- Subregional Coordinators and their multidisciplinary teams will support FAORs, and also lead FAO's response to the needs of the subregions, including those of the REIOs;
- Regional Representatives will address regional issues and lead the support to regional organizations and bodies.

Subregional offices will continue to be part of regional offices and FAORs will continue to follow the current line of reporting. The subregional offices will be delegated the authority and resources to provide policy and technical assistance to the countries they cover, upon request from the FAORs, without having to refer to the regional office or to headquarters. An adequate financial, administrative and operational system will be put in place to ensure information, planning, monitoring and reporting on activities with the relevant control and audit.

70

Reporting lines from the decentralized offices to headquarters will be carefully defined, taking into account the functions of the headquarters departments. The Office for Coordination of Decentralized Activities will be responsible for maintaining unity of purpose between headquarters and decentralized offices; reporting on the performance of decentralized offices and the factors affecting such performance; providing guidance to all units on coordination matters and emerging issues, and the delineation of responsibilities between headquarters and various levels of decentralized structures. Technical departments and divisions at headquarters will be responsible, in addition to their work on global issues, for the technical soundness and quality of FAO's programmes and projects, irrespective of location, and for monitoring their continued relevance, results and impact. They will advise the regional offices, subregional offices and FAORs with regard to the most appropriate technical and policy approaches and methodologies, and provide specialized technical expertise on request. The Technical Cooperation Department is responsible for the scale, content, coherence and quality of the Organization's outreach activities, including both technical cooperation activities and emergency programmes. The department will therefore provide advice, guidance and support to those responsible, in the decentralized offices, for the execution of such programmes. All programmes and projects to be implemented at field level will be channelled through the Technical Cooperation Department for execution by regional, subregional or FAOR offices, as appropriate.

71

The Conference acknowledged the need for strengthened decentralization of the Organization, and requested that as a first step the Director-General's proposals be implemented in one region and one additional sub-region, while mandating the Council to decide on further implementation. In line with this phased approach, the Secretariat is proceeding with the proposal in the Africa region and in the additional sub-region of Central Asia. In the other geographical areas, while no structural changes will take place for the time being, and current roles and relationships will be maintained, the decentralized offices will be able to benefit from administrative streamlining, increased delegation of authority and other measures as outlined below that are within the authority of the Director-General.

Achieving efficiency and performance gains

72

Achieving further efficiency gains and greater improvements in performance requires implementation of a new business model, aimed at introducing a flatter, less fragmented management structure, linked to a strengthening of accountabilities and a greater delegation of authority and responsibility to managers, especially the managers of decentralized offices. Most importantly, it calls for a move away from an institutional culture that is based on risk-aversion and deeply embedded hierarchies and discourages individual initiative by requiring multiple layers of approval, to one that encourages and rewards creativity and motivates staff to share experiences and knowledge. The new model will be based on a determination to learn both from the Organization's successes and its failures, and to be transparent in the disclosure of the results of this learning process. It calls for a shift in concern from reporting on activities carried out to assessing the impact and sustainability of the Organization's work. And it will require new mechanisms that allow and provide incentives for staff of different disciplines, working on related themes but in different units or locations, to work together collegially towards the development of best practices and the achievement of shared goals.

73

Increased decentralization and delegation of authority, if they are to secure efficiency gains, imply the need to move towards ex-post monitoring rather than ex-ante controls. This, combined with a shift to the use of electronic forms, will reduce transaction costs, speed up decision-making and reinforce the accountability of managers. A reduction in the number of units and locations at which administrative actions are processed will also cut management costs, allow for staff economies and facilitate corporate standardization of transaction processing. These improvements in management systems are an essential element of the reform process. They will be translated during the biennium into a series of measures for improving human resources management, motivating and training staff (including staff rotation between headquarters and field posts), introducing greater flexibility into the staffing structure, and introducing strengthened mechanisms for enhancing staff collaboration and knowledge sharing on priority themes across departments, divisions, locations and disciplines, taking full advantage of the power of ICT systems to ensure excellence and a shared understanding of best practices.

74

Other efficiency measures will permit the reduction of travel costs, prompt accounting for expenditures incurred by decentralized offices, and framework agreements with suppliers for procurement of non-specialized frequently needed goods. New documents management software will be introduced, along with measures to reduce the printing of publications in Rome in favour of making publications available in electronic form for local reproduction in member countries. The Department of Human, Financial and Physical Resources, charged with providing the Organization's administrative services, will manage the consolidation of human resource and administrative support functions, currently scattered in different locations, in the Shared Services Centre. Some of the Centre's activities would be subject to offshoring and/or outsourcing to other UN and Bretton Woods organizations, the feasibility of both of which is under study. In authorising the establishment of the Shared Services Centre, the Conference also supported streamlining of administrative and financial processes aimed at achieving further efficiency gains.

Aspects of the budgetary proposals

75

The Director-General's reform proposals to the 2005 Conference envisaged an overall reduction of 122 established regular programme posts, and included fewer Director-level

positions, with a consequent decrease in the percentage of the budget directed towards staff resources, as well as a substantial shift in professional posts to locations outside headquarters. The proposals also allocated increased resources for acquisition of flexible short-term expertise as, when and where needed, and for equipment, travel and operational activities.

76

The overall thrust of these earlier proposals remains unchanged. Specifically, the reduction in staff resources from 66% of the 2004-05 regular budget to 60%, an increase in the proportion of the budget for other human resources, and an increase in the proportion of professional staff in decentralized locations from 30% to 40% are valid quantitative targets for progressive accomplishment in a managed fashion. The speed of their implementation is hampered by the approval of the 2006-07 budget at a level that is 10% below the reform proposals to the Conference.

77

Reductions in the overall staff establishment will need to be handled with particular sensitivity to the human implications and the social consequences of change. They must be harmonized to the extent possible with opportunities created by current vacancies and future retirements, thus mitigating supplementary costs of staff separations and agreed terminations. In view of these considerations, and consistent with the proposals to the 2005 Conference, the Director-General will maintain an overall reduction of 122 established regular programme posts, including fewer Director-level positions, together with an increase in the proportion of professional posts located outside headquarters.

78

Annex 3, Table 1a summarizes the evolution of regular programme posts under each of the distinct organizational structures (i.e. headquarters, regional offices, subregional offices, liaison offices and FAO representations) as proposed to the Conference. The figures therein remain valid objectives for the implementation of reforms at the approved budget level. To mitigate the impact of restructuring on existing staff, four subregional offices would be hosted in the regional office locations, and the outcome is summarized in Table 1b. These tables show that 40 percent of the Regular Programme-funded professional posts (including National Professional Officers) would be located in decentralized offices, compared with 30 percent in the 2004-05 biennium.

79

It is recalled that, aside from the regular programme which is essentially funded from assessed contributions, the Organization also receives voluntary contributions which provide direct support to implementation of regular programme activities or support technical and emergency assistance to governments. Trust Funds are rising, reflecting in part the increased confidence in the Organization, and Trust Fund activities are now roughly at par with the regular programme. More than 70% of Trust Fund activities are delivered in decentralized locations, and are primarily undertaken through non-staff inputs. Consequently, the implementation of reforms will ensure that the majority of the resources managed by the Organization are spent in decentralized locations, and on non-staff inputs.

80

Other measures to provide greater operational flexibility would be directed towards facilitating the work of units whose effectiveness depends heavily on their ability to engage staff from other departments in implementing their work programmes. They would be provided with the means to receive the required expertise from other units in a predictable way and with a more relevant system of costing. Following approval by the 2005 Conference, FAO's budget now includes a separate chapter for the Security Expenditure Facility. The two FAO units that previously dealt with security at headquarters and the decentralized offices have been

merged and situated in the Department of Human, Financial and Physical Resources. The Director-General, as the most senior United Nations official in Italy, has recently accepted the UN's invitation to serve as the Designated Official for UN security in Italy.

Reinforcing monitoring, evaluation and oversight

81

The re-engineering of the Organization's programme structure will permit significant strengthening of the results-based management framework, which aims to ensure that the Organization's actions achieve the desired results in a cost-effective manner. The programming model uses a logical framework approach to planning, including establishing rationales, objectives and outputs, and provides for an evolving suite of planning and post-facto reporting documents for comprehensive review of programmes by the Governing Bodies with an emphasis on accountability, evaluation and oversight.

82

The results-based budgeting and monitoring process will continue to be complemented by a strong evaluation function - covering all activities and designed to examine the Organization's programmes - to analyse what benefits are actually being achieved for Members and how these benefits might be achieved with greater efficiency and impact. Evaluations thus have an accountability function in terms of results, but the emphasis is on organizational and programme improvement. The Evaluation Service, which has an independent function, is located in the Office of Programme, Budget and Evaluation for administrative purposes and to assist the feedback of results into programme and organizational improvement. The Service also has responsibility for evaluation of extra-budgetary funded programmes and for supporting auto-evaluation by units of the Secretariat. Additional funding is proposed for auto-evaluation in 2006-07. Moreover, a new monitoring and inspection function will be introduced in the Technical Cooperation Department. The Programme Committee supervises the evaluation regime and the Director-General is advised on evaluation issues by an Internal Evaluation Committee.

83

As has been the case to date, the Office of the Inspector-General will remain independent, reporting directly to the Director-General, and at the Inspector-General's discretion to the Finance Committee. It provides assurance to the Director-General and Governing Bodies that FAO's outputs are produced in full respect of its rules and regulations and with due regard to economy, efficiency and effectiveness. The Audit Committee, established in April 2003, advises the Director-General and the Office of the Inspector-General on internal audit matters. The Office conducts comprehensive audits comprising financial, compliance and management or value-for-money audits, and investigations into waste, abuse of authority, fraud, presumptive fraud and undesirable activities. It is supported by local private audit firms in the field. External Audit is the independent oversight authority that reports directly to the Governing Bodies. Financial audit is the most important aspect of external audit; this involves providing an opinion on the financial statements of the Organization. In addition, performance audits of selected areas are conducted.

Part II.
A vision for the twenty-first century

EXPLANATORY NOTE

The 60th Anniversary of the founding of FAO provides a moment for reflection on the past. It offers FAO an opportunity to analyse results in relation to the vision that, as stated in the Preamble to its Constitution, it should contribute "towards an expanding world economy and ensuring humanity's freedom from hunger". An anniversary is also an occasion for looking forward, and considering how the Organization can confront the new challenges that the twenty-first century will bring.

As background to the Director-General's proposals for reform of the Organization, this part of the document briefly recalls the birth and evolution of FAO and takes stock of its achievements. It then looks forward to a number of the great challenges of the twenty-first century and their implications for FAO, placing them in the broader context of the vision of FAO's founders.

THE VISION OF FAO'S FOUNDERS

The Food and Agriculture Organization is born out of the idea of freedom from want ... Freedom from want... means the conquest of hunger and the attainment of the ordinary needs of a decent, self-respecting life ...

This generation goes beyond the conviction that freedom from want can be achieved and believes that the effort to achieve it has become imperative... Thus the Food and Agriculture Organization is born out of the need for peace as well as the need for freedom from want. The two are interdependent. Peace is essential if there is to be progress toward freedom from want ... Progress toward freedom from want is essential to lasting peace ...

If there is any one fundamental principle on which FAO is based, it is that the welfare of producers and the welfare of consumers are in the final analysis identical... Wherever the contrary seems to be true, it is because all of the factors have not been taken into account, including the risk of social upheavals and wars. There is always a larger framework in which producer and consumer interests are seen to be the same. It will be the business of FAO to seek and to emphasize this larger framework, this whole view, as a basis for the reconciliation of differences and for progress toward freedom from want and higher levels of living for all.

For in world councils and international affairs, FAO speaks both for those who produce - the farmers, the forest producers, the fishermen - and for those who consume... On one side are the great, unsatisfied needs of people as consumers; on the other, the great, untapped possibilities of improving and increasing production. FAO is founded on the belief that the needs and the production capacity must be brought together as directly as possible, one being integrated constantly with the other, and that if this can be done within and among nations by their separate and collective action, some of the world's worst economic ills, including the hunger and extreme poverty that attend great masses of mankind, will be on the way to extinction...

Knowledge about better production methods, better processing and distribution, and better use of foods is available and can be spread fairly readily. How to get it put into practice on the necessary scale is the problem ... To surmount these difficulties will call for all the wisdom and will that nations, acting by themselves as well as through FAO and other international organizations, can muster. It is not a short or simple task.

... aid given by FAO to the less advanced countries will benefit the others almost as much. It can play a large part in curing certain long-standing social ills and creating an economically healthy world, without which all nations face an insecure future.

There is a still more fundamental aspect of FAO's work. Over those parts of the earth not covered by water lies a thin crust of soil ... Much of this soil is inaccessible for cultivation, or it is unusable for other reasons. From the rest, the world's growing population... must draw all their sustenance except what they get from the sea; and even the fishes, like all other living things, are fed in the final analysis out of the fertility of the land. Whether this thin layer of soil is to be a wasting asset or one maintained in perpetuity and made more fruitful for mankind will depend on how it is used and managed. Nothing more deeply concerns the well-being of men and nations. FAO is dedicated to furthering good use and good management, in all ways and by all peoples, of this most basic of man's resources.

Extracts from The Work of FAO: A General Report to the First Session of the Conference of the Food and Agriculture Organization of the United Nations, prepared by the United Nations Interim Commission on Food and Agriculture and subsequently published in August 1945.

III. FAO'S 60 YEARS (1945-2005)

84

In 1943, when the end of World War II was still far from predictable, some 44 governments came together in Hot Springs, Virginia, in the United States and committed themselves to creating an international organization in the field of food and agriculture. Its role and purpose were described with extraordinary eloquence and foresight in *The Work of FAO*, a report prepared in June 1945 on behalf of the United Nations Interim Commission on Food and Agriculture by a committee under the chairmanship of Frank L. McDougall of Australia. The vision articulated in this document is as relevant today as it was 60 years ago, as is evident from the extracts in the box on the preceding page.

85

The report of the Interim Commission and the draft Constitution served as the main input for the first FAO Conference, held in Quebec City, Canada, which led to FAO being founded as a specialized agency of the United Nations on 16 October 1945. From its birth, it was agreed that FAO would be multidisciplinary, and "concerned with that large sector represented by the world's farms, forests, and fisheries, and by the needs of human beings for their products." The report also stressed that FAO was beginning its work in the context of a much wider international effort, as it would be associated with the Economic and Social Council of the United Nations, and would have "as working partners ... bodies concerned with the international problems of labour, credit, monetary stabilization, commerce and trade, health, education, and other matters vital to the welfare of nations."

86

The intervening six decades have witnessed remarkable changes, changes that have had a profound influence on FAO and the other organizations of the United Nations system. In the years immediately following World War II, much of the focus of international effort was on feeding the hungry and undernourished in Europe and Japan and on rebuilding the shattered infrastructure and cities of Europe. In this context the Marshall Plan was established, providing some US\$13 billion for investment in basic infrastructure and enterprises to spearhead recovery, setting a precedent for large-scale international aid deliveries that was later successfully applied in Asia and, to a lesser extent, in Latin America, but not yet in Africa.

87

As the process of decolonization moved forward in the 1960s, an increasing number of newly independent nations emerged to become members of the United Nations (UN) and its agencies. With the withdrawal of the colonial powers, the UN system began to assume many of the responsibilities for the provision of financial and technical assistance sought by the new states as they took charge of their own affairs, building the institutions and infrastructure on which to base their future economic growth.

88

The UN system, including FAO and others in the original group of specialized agencies such as the International Labour Organization (ILO), the World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), grew rapidly in size in the 1960s and 1970s to respond to these new demands. Concomitant with this growth

was the foundation of new entities within the system, including, in areas of relevance to FAO, the World Food Programme (WFP) in 1963, the UN Development Programme (UNDP) in 1965, the UN Environment Programme (UNEP) in 1972 and the International Fund for Agricultural Development (IFAD) in 1977, and, closely allied to the UN system, the Consultative Group for International Agricultural Research (CGIAR) in 1971. From the 1960s onwards, the World Bank and the Regional Development Banks progressively built up their portfolios in agriculture and rural development, and bilateral donors began to establish specialized ministries of development cooperation.

89

Some of the most profound changes have occurred over the past three decades. These have seen a redefinition in most countries of the role of the state, which has moved away from many areas of activity such as marketing of agricultural produce or farm inputs and managing agro-industries, to concentrate its efforts on the assurance of essential services and infrastructure and on the provision of legal, institutional and policy frameworks that open up opportunities for the emergence of non-state actors. During this short period the private sector has become an increasingly important player in national economies, often the major supplier of technologies, inputs services and markets for producers - a phenomenon that calls for new definitions of the respective roles of the private and public sectors in development.

90

Equally significant has been the growth of institutions within civil society, especially non-governmental organizations (NGOs), both national and international. Many were created to fill a gap between the state and the private sector and to respond to the wish of individual citizens to be able to contribute directly to the reduction of human suffering at times of emergency. As their resources have grown, their role has expanded to providing development assistance (with several having a much larger presence in developing countries than FAO) and particularly to becoming powerful advocates for a more just and equitable world.

91

FAO has had to respond to these changes taking place in the wider world and adapt its role while continuing to focus on the purposes for which it was founded. The Organization that came into being with 42 Members now has 188 and is expected to reach 190 on 1 January 2006, endowing it with a truly global reach. At this global level, FAO has brought nations together to agree on a range of crucial treaties, codes of conduct, conventions, standards and voluntary guidelines to ensure better stewardship of the world's shared resources such as plant genetic resources and marine fish, to reduce the dangers of trade in hazardous pesticides, to set uniform standards for foodstuffs that both protect consumers and facilitate trade, and to assure the right of people to have access to adequate and safe food.

92

FAO has on many occasions used its convening powers to bring its Members together to strengthen their joint resolve to address critical global issues. Most notably, it has convened, at the level of Heads of State and Government, the World Food Summit in 1996 and the World Food Summit: five years later in 2002. The 1996 Summit for the first time set a quantitative goal for hunger reduction, calling for the halving of the number of undernourished persons in the world by 2015 and setting out a blueprint, in the form of a Plan of Action, for achieving food security for all.

93

For many people, especially in the developing world and in countries in transition, however, FAO has been most visible for its practical development work and for its timely intervention during emergencies. FAO has played a fundamental role in many countries in inventorying

their land, water, fisheries and forestry resources and in completing agricultural censuses that have provided the base for formulating development policies and strategies. Institution-building support by the Organization has been fundamental in establishing national government structures for the agriculture, forestry and fisheries sectors in many developing member countries, often from the moment of their birth as independent nations.

94

Many of the programmes for disseminating high-yielding varieties of crops and for the construction of the irrigation schemes that played such an important role in underpinning the Green Revolution were planned and implemented with the help of FAO's engineers and agronomists. The livelihoods of artisanal fishers throughout the developing world have been safeguarded by legislation governing fishing rights, drafted by FAO's lawyers. Large numbers of poor households have been empowered to manage fragile forest resources through community forestry programmes that have improved environmental sustainability, safeguarded water sources and strengthened household livelihoods. Millions of small-scale farmers have learned how to grow healthy and more profitable crops without undue dependence on hazardous pesticides, and farming communities struck by drought, hurricanes or floods have got back on their feet thanks to timely relief and rehabilitation interventions.

95

As FAO commemorates its 60th Anniversary, the Organization can therefore look back with satisfaction on its many achievements. One of the most remarkable success stories of the second half of the twentieth century is the contribution of the world's crop and livestock farmers, fishers and those whose livelihoods depend on forestry towards the expansion of the global economy and the uplifting of living standards, responding to the demands for food, fibre, shelter and woodfuel of a population that has tripled in number. Moreover, in this period, average per capita food intake increased by 23 percent and since 1960 the proportion of people living in hunger has been cut from 35 percent to 13 percent (in 2000-02). Expanded production has enabled commodity prices to fall, reducing costs to consumers. FAO can legitimately claim to have played its part, in line with its mandate, in these major accomplishments.

96

At the same time, the Organization and its Members have to admit to failing to attain FAO's founders' expectations in two highly critical areas:

- first, over 800 million people, about 1 in 8 people on earth, are still not free of hunger; and
- second, in responding to the explosion of demand, incalculable damage, some of it irreversible, has been done to the world's natural resources.

The central issues that FAO must address as the twenty-first century unfolds are, therefore, how to increase the effectiveness of its work with its Members towards eradicating hunger and poverty, and how to step up its contribution to meeting global needs for food and forest products without compromising the sustainability with which the earth's natural resources - its land, water, biodiversity, forests, fishing grounds - are used.

97

At the turn of the Millennium these concerns were taken up by the international community as a whole, and incorporated into the broader set of eight Millennium Development Goals (MDGs) that, taken together, define the immediate key objectives for countries and for the UN system at the outset of the twenty-first century, and set specific targets to be reached by 2015. On 13 September 2005, at the High-level Plenary Meeting of the 60th Session of the UN General Assembly (the 2005 World Summit), Heads of State and Government strongly reiterated their

"determination to ensure the timely and full realization of the development goals and objectives agreed at the major United Nations conferences and summits, including those... that are described as the Millennium Development Goals, which have helped to galvanize efforts towards poverty eradication." Countries agreed to "Adopt, by 2006, and implement comprehensive national development strategies to achieve the internationally agreed development goals and objectives, including the Millennium Development Goals."

IV. RESPONDING TO THE CHALLENGES OF THE TWENTY-FIRST CENTURY

98

The world's population is predicted to increase by about half in the coming 50 years to around 9.3 billion and to stabilize at approximately 10 billion by the end of the twenty-first century. In many countries, because of rural-urban migration, rural populations have already ceased to grow and rural and urban population numbers on a global scale are forecast to be equal by as soon as 2006. Particularly in those regions and countries in which population growth rates fall, an increase can be expected in per capita incomes, associated with a progressive fall in the number of people living in deep poverty. In many countries of Africa and parts of South Asia, however, there will be a drop in the proportion of people living in poverty, but absolute numbers are expected to grow, at least until 2030, if present trends continue.

99

These changes will occur in the context of greater interdependence between countries, owing to the unprecedented technological improvements in communications and transportation systems as well as to the rapid growth in international transactions. They imply that national policies are increasingly likely to have an impact on other countries, creating a need for greater understanding of the nature of interdependence, especially in the food and agriculture sector.

Contributing to the eradication of poverty and hunger

100

The fact that the first MDG calls for the eradication of extreme poverty and hunger is of immense significance for FAO, given the growing recognition that hunger is both a cause and an effect of poverty. In many developing countries in which a large proportion of the population remains chronically undernourished, bringing down the incidence of hunger will open the door for faster economic growth, improving the prospects for poverty reduction.

101

The eradication of hunger, which has eluded humanity from the birth of history and is so central to the purpose of FAO, is undoubtedly a wholly attainable goal in this century. But it will not be achieved with a "business-as-usual" approach. Eradicating hunger needs deliberate and concerted action on a very large scale, led by governments but with the full participation of society as a whole. Reductions in the number of hungry will be achieved more quickly by countries that adopt policies that ensure a more equitable distribution of the benefits of economic growth. In countries where there is a concentration of food-insecure households in rural areas, an important part of the solution will lie in expanding small-farmer agricultural incomes and promoting off-farm development. Here, however, the emphasis should not be on promoting large technology leaps by relatively few farmers but, at least in the first instance, on empowering millions of poor rural people to take up quite simple changes that lie within their reach and result in immediate livelihood and nutrition improvements. This is in line with the thinking of FAO's founders who noted that "The arithmetic of progress is like the arithmetic of mass merchandising: a small profit per customer multiplied by a sufficient number of customers gives a large total."

102

Progress towards hunger eradication will be accelerated by putting in place safety nets that ensure that those households that cannot normally either produce or afford to buy their food needs have enough to eat, and those that have enough to eat but are driven by crises into hunger are not obliged to dispose of their limited assets at such times. Such safety nets are likely to assume greater importance in countries in which poverty and food insecurity are concentrated in urban centres. They may take different forms but must be designed in ways that are not dependence-inducing or market-distorting but are carefully targeted so that most of the benefits reach the people most in need and costs are contained.

103

Eradicating hunger and thereby enabling the poorest people to participate in economic processes does not constitute welfare expenditure but rather an investment that no country aspiring to high rates of sustainable growth can afford not to make. Increasingly, both poor and rich countries are recognizing that putting an end to hunger on a global scale is not only a question of human rights but is also in their own self-interest as it will make for a more prosperous and safe world. It was the vision of FAO's founders that the Organization was born out of the interdependent needs for peace and for freedom from want: "the conquest of hunger and the attainment of the ordinary needs of a decent, self-respecting life" must remain the Organization's first objective.

Raising the sustainability of production and distribution systems

104

Fortunately for most of humanity, the world's demands for food and for forest products have been successfully met throughout FAO's lifetime, but this has been at vast environmental and social costs that in many cases have been neither counted nor paid for. This is of particular significance to agriculture, forestry and fisheries because of their heavy dependence on natural resource use and on the work of many of the most vulnerable members of the world's population.

105

Thus, huge tracts of primary forests have been destructively logged, put under the plough or converted into low-intensity grazing, reducing biological and cultural diversity, and destroying the habitat of indigenous people. Millions of hectares of once-fertile lands have been irrigated but without the necessary investment in drainage, with the result that they have become saline and unproductive. Many countries are facing severe water shortages and, in others, both surface and underground water resources are increasingly polluted by nitrates leached from fertilizers and by pesticides. Paradoxically, the success of plant and livestock breeders in selecting better-performing crops and animals is contributing to erosion in agricultural biodiversity, narrowing the range of varieties and breeds on which future breeding programmes will depend. Marine fish stocks have been depleted through overfishing. Methane gas emissions from flooded paddy fields and intensive livestock systems are contributing to climate change.

106

One of the other significant results of the rapid growth in agricultural production has been a pronounced long-term fall in commodity prices. When these are reflected in reductions in retail prices, large numbers of low-income consumers stand to benefit. But, at the same time, this long-term decline in prices has eroded the incomes of producers, especially in developing countries which, for structural and institutional reasons, have been unable to make comparable reductions in production costs. In a globalized market, the farmer with one hectare of land under hoe-based cultivation becomes a direct competitor with the capital-

intensive farmer who single-handedly cultivates hundreds of hectares under mechanized farming systems, often benefiting from subsidies and other price-distorting measures. Similarly, the attempt by some countries to shield their producers from global market developments such as trend decreases in prices and market instability, imply greater burdens on those countries and producers that cannot afford such policies. The resultant economic and social pressures have a devastating impact on many rural societies. Growing interdependence also implies that many shared resources may be overexploited in the quest for faster growth, if not managed according to practices agreed among concerned countries. This threat applies to many resources of great importance for food and agriculture, including water, marine resources, forests and environmental resources, and to climate.

107

These issues are of fundamental importance for the long-term sustainability of the earth's fragile ecosystems and to the conditions of life, especially for indigenous peoples, in rural areas, and hence for the future well-being of humanity, as FAO's founders recognized. They require a concerted effort among the organizations of the UN system, international research institutions and the private sector to devise production, processing and distribution systems that are truly sustainable in the sense that, while meeting the needs of all of the world's population, they no longer damage or deplete the world's natural resources, accelerate climate change or impoverish rural society in both cultural and economic terms.

V. FAO'S SECOND 60 YEARS: EVOLVING PRIORITIES, NEW OPPORTUNITIES

108

If the overarching goals for which FAO was established remain valid and unchanged today, the context in which the Organization operates, and consequently the priorities for action, continue to evolve, along with the need to seize new opportunities. The possibilities for harnessing knowledge and promoting its sharing will continue to increase in the coming years, in line with the rapid evolution of communications technology. Emphasis will need to be shifted more towards ensuring that the benefits of urbanization, globalization and the rapid transformation of food systems accrue to both consumers and producers, and particularly to the neediest members of society. The emergence of new institutions in areas relevant to FAO's mandate, and the growth in institutional capacities and skills in developing countries, will require the Organization to change its approach in significant ways in order to meet different needs and requests by Members. The renewed commitment to investment in the rural sector will open new avenues for poverty reduction and economic growth. However, efforts will have to be intensified to deal with familiar and new forms of natural and human-induced disasters and to increase emergency preparedness, if the benefits achieved are not to be lost in vulnerable countries as a result of conflict and cataclysmic events that may wipe out the results of years of development work.

Harnessing knowledge for agriculture

109

Progress in agriculture, as in most fields of human endeavour, is the result of inventiveness and the spread and application of knowledge of how to do things better. The most vivid expression of this process has been the spread of crop species from their places of origin to other parts of the world, where they have frequently become staple foods or important sources of export earnings - a process that gained momentum during the great period of exploration of the fifteenth century but that still continues.

110

FAO's founders recognized that one of the principal functions of the Organization would be to add momentum to the processes of sharing knowledge. "The time has come", they wrote, when "an international organization is urgently needed to accelerate throughout the world the advance of scientific knowledge and its application to human affairs. FAO would fulfil such a function in the great and important area represented by food and agriculture." A large part of FAO's work continues to be concerned with knowledge sharing and building capacities to use knowledge. Yet much knowledge of great potential relevance to farming, fishing and forestry remains localized and unintentionally inaccessible.

111

Remarkable developments in the field of information and communication technology (ICT) open up exciting opportunities for greatly accelerating the flow of knowledge, making it much more widely available and, often, enriching it in the process. FAO must take full advantage of these developments, maximizing the potential of ICT to shape the way in which the Organization conducts its business. If it is not to be left behind in an ever more interconnected world, FAO needs to do much more to take advantage of the extraordinary opportunities that ICT developments provide for an organization operating on a global basis. But the

Organization must become more than a mere broker of knowledge and must contribute to a clearer understanding of the priorities for knowledge generation, particularly in areas in which there are no appropriable benefits for the private sector, for it is here that the biggest gaps are bound to occur.

Sharing the benefits of urbanization and globalization

112

While the rapid growth of cities has been forecast quite accurately, the pace with which global food-trading systems are being transformed has taken most observers by surprise. Within only a few years international commodity trading has become dominated by a limited number of transnational corporations and there has been a comparable concentration of corporate power in the food-processing and agricultural-inputs supply industries. Still more rapid has been the emergence of supermarket chains as the major food retailers serving the urban populations of both developed and developing countries. This transformation is creating new types of relationships among producers, intermediaries and consumers. If operating under competitive market conditions, these new systems should reduce transaction costs in the food chain and hence bring important benefits to both consumers and producers, though they are bound to cause short-term hardship for those countries and populations that cannot adapt sufficiently rapidly to the new opportunities and adjustments in trading conditions. These benefits, however, are bound to be elusive when free international trade is obstructed by tariff and non-tariff barriers that limit market access for those who can produce with comparative advantage and that artificially raise prices for consumers, or by measures that penalize the import of processed goods vis-à-vis raw materials.

113

FAO's Members will increasingly look to the Organization for capacity-building assistance to enable them to participate effectively in the evolving and increasingly complex international trading system and to apply the quality and consumer protection standards to which internationally traded agricultural and food products must increasingly conform. They will require help in formulating development and adjustment policies to ensure that the transformation processes do not have a negative impact on the poor, but rather help them overcome chronic and temporary hunger and malnutrition. They will need to plan and invest in new infrastructure - roads, ports, storage systems - in order to become more competitive in the international marketplace. At the global level, the design and implementation of additional instruments, such as codes of conduct, may become even more important as a means of curbing behaviour that may not be in the public good and that risks undermining progress towards poverty and hunger reduction.

Emergence of new institutions, growing capacities in developing countries

114

Since FAO was founded, new institutions have emerged in areas relevant to the Organization's mandate, building up experience and specialized skills that in many cases now greatly outstrip the Organization's own capacities. Some of these form part of the international system, others have grown up within universities, and there has been a rapid expansion of investment in research and development within the private sector. As a result, there are a number of topics in which FAO needs to shift its approach from seeking leadership to developing substantive links with these centres of excellence as well as between them, in line with its role and comparative advantage as a catalyst for development.

115

The emergence of regional and subregional economic integration organizations also provides further opportunities for FAO to develop partnerships that can amplify its impact. These organizations are assuming a higher level of political visibility; are becoming in many cases important players in agricultural development, food security and trade facilitation; and enjoy a comparative advantage in addressing transboundary issues, including those related to the harmonization of policies. The Organization needs to gear itself up, especially through further decentralization, to expand its cooperation with these organizations.

116

The changes, noted earlier, in the respective roles of the state, the private sector and civil society call for FAO to broaden and deepen its links beyond its traditional partners in the public sector and to engage more effectively with NGOs, the private sector, parliamentarians, chambers of agriculture and commerce, local government entities, professional associations and religious leaders. Moves in this direction have found their expression in the creation - in partnership with IFAD, WFP and the International Plant Genetic Resources Institute (IPGRI) as well as international NGOs - of the International Alliance Against Hunger (IAAH) and its support for National Alliances Against Hunger in both developing and developed countries.

117

Finally, there has been an impressive growth in technical skills and institutional capacities in almost all developing countries. Apart from reducing the demand for long-term technical assistance involving large teams of internationally recruited experts, this has opened up exciting opportunities for expanding South-South Cooperation programmes and facilitating an increase in cross-country training and collaborative research opportunities. It has also altered the mix of skills on which countries would wish to draw when looking to FAO for assistance.

Renewed commitment to rural investment

118

After many years of declining investment in agriculture and rural development by developing country governments, international financing institutions (IFIs) and donors, the tide appears to be turning. In July 2003, for instance, Heads of State of the African Union committed their countries in the Maputo Declaration on Agriculture and Food Security to allocate "at least 10 percent of national budgetary resources" for the implementation of the New Partnership for Africa's Development (NEPAD) Comprehensive Africa Agriculture Development Programme (CAADP). In other regions, including the ACP countries of the Caribbean and the Pacific, as well as Asia, Latin America and the Near East, regional organizations have also been creating programmes that will ensure a greater share of development investment benefits rural areas. At the international level, following the Monterrey Consensus that emerged from the International Conference on Financing for Development in March 2002, the Gleneagles Communiqué, issued at the end of the G8 meeting held in July 2005, put on record the commitments of many developed countries - including the 25 countries of the European Union, as well as Japan and Canada - to double aid within five years. During their September 2005 meetings, the International Monetary Fund and the World Bank both reached agreement to cancel the debts owed to them by 18 developing countries and opened up the prospect of extending similar arrangements to many more of the poorest countries.

119

The role of agriculture, forestry and fisheries in contributing to sustainable development has for too long been understated. Promoting increased investment in these sectors has been a major thrust of FAO's advocacy over the past decade, in Quebec in 1995 on the occasion of the Organization's 50th anniversary, in Monterrey in 2002, in Maputo in 2003 and at the UN

Economic and Social Council in 2005. With the signs that the downward trend in resources has finally been arrested, FAO will need to equip itself better to assist its members in mobilizing and making good use of these additional investment and technical cooperation resources, targeting its efforts even more specifically towards helping developing member countries to formulate strategies and policies to address their most pressing problems of poverty and food insecurity, and to mobilize resources internally and externally to implement programmes on a suitable scale.

120

The Organization must be able to engage more fully in assisting countries in drawing up Poverty Reduction Strategies that take full note of the key contributions of the agriculture sector and improvements in food security to poverty reduction and economic growth, in taking up related policy reforms and in preparing National Food Security Programmes within the broader context of programmes to achieve the MDGs. These efforts must be accompanied by a shift in FAO's relationship with multilateral and bilateral donors in which emphasis is placed on developing partnerships around the common goal of raising additional resources for agriculture and food security in member countries, rather than seeking extrabudgetary resources primarily for FAO's own programmes.

Reducing the impact of disasters and improving emergency preparedness

121

Emergencies affecting agriculture and food availability seem poised to become more frequent and larger in scale during the course of this century. This is partly because of the human-induced degradation of ecosystems - for instance the destruction of coastal belts of mangroves to make way for intensive shrimp farming or for real estate development that leaves coastal communities less protected against storms, or the degradation of rangelands through overgrazing, opening the way for desertification. Many observers of climate change predict greater extremes in meteorological conditions and long-term changes in weather patterns that will require fundamental adjustments to farming systems in many regions of the world. Moreover, the processes of globalization, especially the rapid increases in the number of people travelling over long distances and in the movement of goods across boundaries and oceans, are accelerating the spread of animal and plant pests and diseases as well as of invasive species, whether weeds or jelly fish, which can multiply with great rapidity in the absence of natural enemies. The human impact of shocks is also greatest when people lack resilience because of their poverty or food insecurity; hence, investments that address the root causes of vulnerability are bound to reduce the scale of emergencies - and the huge costs of addressing them - when disasters strike.

122

FAO will continue to be called upon to respond to such emergencies. Its greatest comparative advantage lies in improving prediction, early detection and, where this is possible, prevention, of emergencies, especially when dealing with threats that have transboundary or global dimensions requiring international solutions. Member Nations are increasingly recognizing that timely preventative action is often a great deal cheaper and less socially disruptive than allowing problems such as food shortages, foot-and-mouth disease, desert locusts or avian influenza to build up to a scale that becomes life-threatening, requires enormously expensive interventions and induces massive economic losses. This recognition, however, has still to be translated into funding for preventative measures on the necessary scale.

CONCLUSION

123

The Director-General is strongly committed to the implementation of reform in FAO, recognizing that the speed of implementation will be strongly influenced by the level of funding available.

124

His proposals aim to reinforce the Organization's capacity to fulfil its founders' expectations in a global environment that is enormously different from the one prevailing in 1945. Reform will strengthen FAO's ability to continue to play an essential and highly relevant role in the quest for a better world and it is hoped that it will help to ensure that the Organization is provided with the resources needed to carry out its mandated responsibilities to the satisfaction of its Members. However, change in the global environment is fast and not easily predictable. The process will also be influenced both by the broader process of UN reform and by the findings reached by the Independent External Evaluation of FAO, commissioned by the FAO Council. The Director-General is convinced that implementation of the reform proposals will provide a more favourable context for both of these processes, and provide the Organization with an enhanced capacity to implement the strategies and achieve the objectives that the Members have set for FAO, or will set in the future.

125

The process of reform is taking place in an increasingly interdependent world, in which the future welfare of nations and their people are inextricably bound together. The choices exercised by consumers in Tokyo, Paris or New York ultimately impact on the livelihoods of tea growers in the highlands of Sri Lanka, vegetable farmers in Kenya and coffee producers in Nicaragua. Moreover, widespread poverty and hunger in developing countries make millions of people highly vulnerable to shocks, whether natural or human-induced, and provide fertile ground for the emergence of political instability and conflict, destabilizing international markets and inducing vast numbers of people to search for a better life beyond their borders. Never has it been so obvious that there is a shared interest - not simply a moral obligation - for all nations of the world to put an end to the extreme deprivation that continues to affect so many of our fellow human beings throughout their entire lifetimes.

126

Indeed, because of this interdependence, the final impact of the Organization's work will be largely determined by what happens outside FAO in the wider development environment, especially in the areas of aid and trade. The speed with which hunger can be eradicated in the world will be sensitive to the extent to which both domestic resources and international support are increasingly directed towards addressing the root causes of the problem on a scale commensurate with its magnitude. Hopefully, when looming crises are identified, they can be addressed through timely responses, rather than waiting for television images of children on the brink of starvation to be broadcast around the world as the trigger for large-scale humanitarian assistance, delivered at enormous logistical cost. If the same preventive approach is applied to transboundary plant and animal pests and diseases, this can also prevent them from getting out of hand and causing immense losses that devastate the livelihoods of the poorest.

127

If such a redirection of resources towards the root causes of vulnerability is associated also with changes in trading relations towards creating a more level playing field, progress in attaining the vision of FAO's founders will be all the more rapid. The need for this is implicit in the Commission for Africa's comment that "trade rules are applied vexatiously", and in its recommendation that "reforms in the method of working of the World Trade Organization and in the behaviour of its developed country members are also crucial if market access is to be expanded". Tangible moves towards opening up markets, not simply for raw materials but also for manufactured goods of agricultural origin, will have a profound effect on the livelihoods of people, especially those living in the most disadvantaged countries - LIFDCs, LDCs, LLDCs and SIDS - on which the Organization will increasingly focus its MDG-related programmes. It is vital to avoid a situation in which, as the Commission warns, the MDGs recede into the distance and "the greatest bond between rich and poor for our times now risks turning into the greatest betrayal of the poor by the rich of all time".

128

There can be no more important mission for a global institution than that of ensuring the adequacy of the world's food supplies for all of the world's people, now and in the future. At Quebec City, in 1995, while commemorating FAO's 50th anniversary, Members reaffirmed their political support to the Organization in carrying out "its mission to help build a world where all people can live with dignity, confident of food security". The 2005 World Summit has triggered a process in which all nations accept that they have a shared interest in seeing an end to poverty and hunger and must bequeath undamaged natural resources to future generations. There is a new sense of determination to engage in large-scale practical programmes for poverty reduction. In embarking on the proposed reform, FAO will signal the strength of its commitment to do all within its mandate and power, in partnership with other institutions within and outside the UN system that share the same objectives, to play its proper part in this reinvigorated global effort.

ANNEXES

Annex 1

External reviews from January 1994 to September 2005

BY SUBJECT

Title	Date	External element	Governing bodies	Document reference
Agriculture				
Review of Programme 2.1.4 - Agricultural Support Systems	11/1999	External peer review	PC/CL and Conference (in the PER)	C 99/4
Evaluation of the Animal Health Component of Programme 2.1.3	5/2002	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 87/4b)
Evaluation of FAO Activities in Crop Production	9/2003	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 90/3a)
Evaluation of Livestock Production, Policy and Information (Programme 2.1.3)	5/2005	External consultants, independent peer review panel	Discussed at PC 93	PC 93/5, 93/5-Sup. 1, 93/5-Sup. 2
Budgeting and extrabudgetary activities				
Support Costs related to Extrabudgetary Activities in Organizations of the United Nations System	5/2003	JIU	PC/FC and CL	CL 124/INF/10
Codex Alimentarius				
Joint FAO/WHO Evaluation of Codex Alimentarius and other FAO and WHO Food Standards Work	5/2003	Externally led with external consultants and independent expert panel	PC/CL and Conference (in the PER) but also considered by Special Session of Codex Alimentarius Commission	PC 89/5a)
Communication				
Evaluation of the Cross-organizational Strategy on Communicating FAO's Messages	9/2005	Externally led with external consultants	Discussed at PC 94	PC 94/5, 94/5-Sup.1
Decentralization				
Independent Evaluation of FAO's Decentralization	9/2004	Externally led with external consultants	Discussed at PC 92, 93, 94	PC 92/6a)
Emergencies				
Programme Evaluation of EMPRES - Desert Locust	5/2002	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 87/4c)
Thematic Evaluation of Strategy A3	9/2002	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 88/5a)
Synthesis of Findings of Two Evaluations of Work at Country Level (FAO Response to the Continuing Crisis in Southern Africa and FAO Post-Conflict Programme in Afghanistan)	9/2004	External consultants	Discussed at PC 92	PC 92/6b)

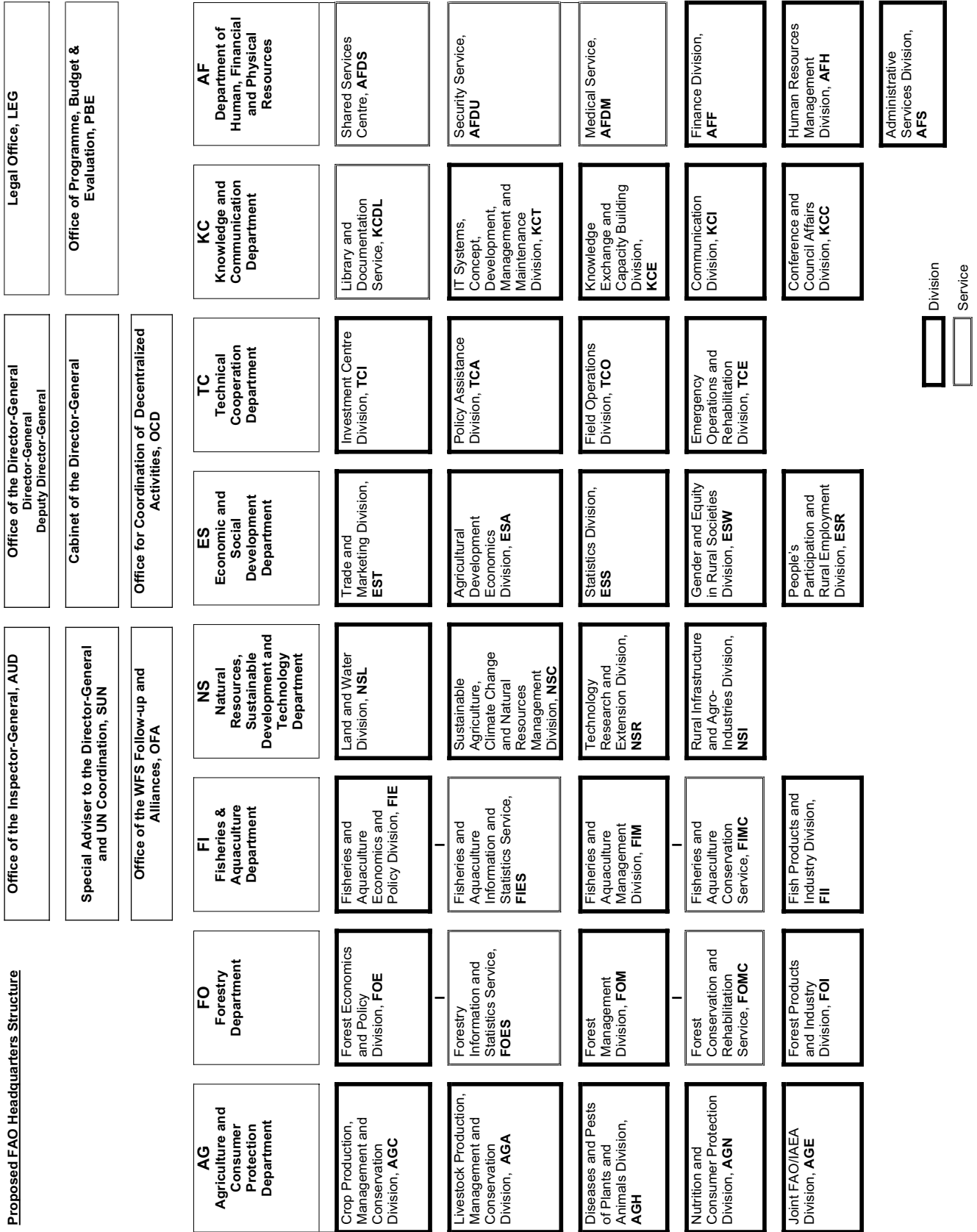
Fisheries				
Evaluation of FAO Activities in Fisheries Exploitation and Utilization - Programme 2.3.3	5/2004	External consultants and external peer review	PC document	PC 91/5
Forestry				
Community Forestry Development (FTTP)	11/1995	External consultants	PC/CL and Conference (in the PER)	C 95/4
Management				
Review of Management and Administration in the Food and Agriculture Organization of the United Nations: FAO	5/2003	JIU	PC and CL	CL 124/INF/14
Policy				
Evaluation of FAO's Policy Assistance	5/2001	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 85/4
Food and Agriculture Policy - Programme 2.2.4	11/2001	External peer review	PC/CL and Conference (in the PER)	C 2001/4
Publications				
The Publication Activities of FAO	11/1997	Review of publications by an independent institution	PC/CL and Conference (in the PER)	C 97/4
Special Programme for Food Security				
Independent External Evaluation of the Special Programme for Food Security	5/2002	Independent external evaluation team	PC/CL and Conference (in the PER)	PC 87/4a)
Staff issues				
Study by External Auditor on the Application of the Lapse Factor	9/1994	Cour des Comptes, France (external auditor)	FC/CL	FC 79/3 rev. 1
Management Review to Determine the Appropriate Staffing Levels and Staffing Structures of the Organization - 1st Report	9/1996	Expert Group on Priorities; and questionnaire to Members - Survey of priorities	JM of PC and FC and CL	FC 85/18 and CL 115/12
Management Review to Determine the Appropriate Staffing Levels and Staffing Structures of the Organization - 2nd Report	9/1997	AF management review by Coopers & Lybrand and review of FAO grading structure by two external consultants	JM of PC and FC and CL	JM 97/2 and CL 113/2
Comparison of Methods of Calculating Equitable Geographical Distribution within the United Nations Common System	4/1997	JIU	PC/FC and CL	CL 112/INF/13
Review of Staffing Levels in AFF and AFI	11/2003	KPMG	Briefly reported in PWB 2004 - 05	C 2003/2 para. 694
Statistics				
The Evaluation of Programme 2.2.2 (Food and Agricultural Information) Activities related to Agricultural Statistics in the Context of FAOSTAT	5/2003	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 89/5b)
Statutory Bodies				
Review of FAO Statutory Bodies and Panels of Experts	10/1996	Ad hoc group chaired by FC Member Mme R. Le Clerc	JM/CL and Conference	CL 112, CL 113 and Conference Resolution 13/97

TCP				
Policy and Operational Framework of the Technical Cooperation Programme (TCP): Independent Review of the Technical Cooperation Programme	5/2005	Externally led with external consultants	Discussed at PC 93, 94	PC 93/INF/4
Training				
Thematic Review of FAO's Training Activities for Development during 1994 - 99	9/2001	External consultants and external peer review	PC/CL and Conference (in the PER)	PC 86/3a)

NB. High-level external independent advisory groups of experts have met on several occasions to evaluate the activities of the Economic and Social Department, the Fisheries Department, the Forestry Department, and the Sustainable Development Department. Reports of these groups have been presented to the relevant committees and/or to the Council. The Council has also received reports from the external independent advisory group of experts for the activities of the Special Programme for Food Security (SPFS) and from a group advising on civil society involvement in World Food Summit follow-up.

Annex 2

Proposed organization chart - FAO headquarters



Annex 3

Table 1a: Evolution of posts - post counts by location

Category	PWB 2004 - 05	% of total grade category	PWB 2006 - 07 Reform proposal to Conference ¹ and target at approved budgetary level	% of total grade category
Headquarters				
Professional	993	70%	883	60%
General service	959	54%	859	54%
Total HQ	1 952	61%	1 742	57%
Regional offices				
International professional	158	11%	98	7%
National professional	0	0%	9	1%
General service	222	13%	69	4%
Total RO	380	12%	176	6%
Subregional offices				
International professional	56	4%	147	10%
National professional	0	0%	58	4%
General service	49	3%	207	13%
Total SRO	105	3%	412	13%
Liaison offices				
International professional	17	1%	20	1%
National professional	0	0%	0	0%
General service	22	1%	28	2%
Total LO	39	1%	48	2%
FAO Representations				
International professional	92	6%	83	6%
National professional	106	7%	170	12%
General service	520	29%	441	27%
Total FAOR	718	22%	694	23%
Total decentralized				
Professional (international and national)	429	30%	585	40%
General service	813	46%	745	46%
Total decentralized	1 242	39%	1 330	43%
Total all locations				
International professional	1 316	93%	1 231	84%
National professional	106	7%	237	16%
General service	1 772	100%	1 604	100%
TOTAL	3 194	100%	3 072	100%

¹ C 2005/3 Sup. 1 Add. 1

Table 1b: Evolution of posts - post counts by location, taking into account co-located subregional offices in regional office locations

Category	PWB 2004 - 05	% of total grade category	PWB 2006 - 07 Reformproposal to Conference ¹ and targeted at approved budgetary level	% of total grade category
Headquarters				
Professional	993	70%	883	60%
General service	959	54%	859	54%
Total HQ	1 952	61%	1 742	57%
Regional offices				
International professional	158	11%	138	9%
National professional	0	0%	19	1%
General service	222	13%	117	7%
Total RO	380	12%	274	9%
Subregional offices				
International professional	56	4%	107	7%
National professional	0	0%	48	3%
General service	49	3%	159	10%
Total SRO	105	3%	314	10%
Liaison offices				
International professional	17	1%	20	1%
National professional	0	0%	0	0%
General service	22	1%	28	2%
Total LO	39	1%	48	2%
FAO Representations				
International professional	92	6%	83	6%
National professional	106	7%	170	12%
General service	520	29%	441	27%
Total FAOR	718	22%	694	23%
Total decentralized				
Professional (international and national)	429	30%	585	40%
General service	813	46%	745	46%
Total decentralized	1 242	39%	1 330	43%
Total all locations				
International professional	1 316	93%	1 231	84%
National professional	106	7%	237	16%
General service	1 772	100%	1 604	100%
TOTAL	3 194	100%	3 072	100%

¹ C 2005/3 Sup. 1 Add. 1

