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## COUNCIL

**Hundred and Thirty-first Session**

**Rome, 20 - 25 November 2006**

**Implementation of Conference Decisions and  
Proposals from the Director-General**



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the Director-General

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## EXECUTIVE SUMMARY

### *Background*

1. Comprehensive reform proposals were submitted in 2005 by the Director-General in the context of the Programme of Work and Budget for 2006-07. The FAO Conference adopted a Resolution (6/2005) endorsing a first phase of reforms, authorising:
  - the implementation of progressive changes to the organizational structure at headquarters;
  - as a first step, implementation of the Director-General's proposals for strengthened decentralization in one region and one other subregional office (SRO); and
  - the establishment of a Shared Services Centre (SSC).
2. The Conference also endorsed a budget level requiring US\$ 39 million (5.2%) in real reductions through further efficiency savings and programme cuts. In May 2006, the Programme and Finance Committees approved a revised programme of work for 2006-07 by consensus, thereby also putting into effect this first phase of reforms.

### *Implementation of Conference decisions*

3. Modifications to the headquarters structure were made as of 1 January 2006, including the transfer of the Nutrition and Consumer Protection Division to the Agriculture and Consumer Protection Department, the grouping of all security functions in the Administration and Finance Department, and the consolidation of various advocacy activities within a single unit.
4. For the decentralized structure, the approved first phase in Africa entails the establishment of two subregional offices with multi-disciplinary teams in new locations, namely in Addis-Ababa and Libreville (together with an SRO team co-located with the Regional Office for Africa to operate in Accra, and a smaller subregional office than in the past in Harare to cover the Southern Africa region). For the Central Asia subregion, a new office is to be opened in Ankara. Favourable conditions have been negotiated with the concerned host governments, which include: i) contributions towards one-time costs such as provision of premises compliant to UN Minimum Operating Security Standards (MOSS) and supply of office equipment; ii) assistance towards running costs; and iii) the provision of junior technical officers and support staff for a value of approximately US\$ 6 million per biennium. Consultations have been completed within the secretariat on the staffing profiles for the multidisciplinary teams (MDTs), and more generally on the responsibilities and relationships aimed at improving coordination between headquarters and decentralized units. All offices are expected to be functional by the end of 2006.
5. To fully implement the Conference decision as it relates to the SSC, the Organization proposes moving high volume, routine administrative processing functions in the areas of human resources, travel, finance and procurement to lower cost locations. The preferred approach entails the redistribution of the functions to three SSC "hubs" in regional offices (Bangkok, Budapest and Santiago), primarily from headquarters. The hubs are within time zones similar to those of the majority of the staff generating transactions and are to be managed by a coordination centre based in Rome. Particularly favourable conditions are being considered by the host country of one of the three "hubs" (Budapest), which in this case has to be built from scratch. The phased implementation of the SSC between 2007 and 2009 will yield net savings of US\$ 8 million per biennium (compared with a target of US\$ 7 million anticipated to the 2005 Conference) due to efficiency savings and favourable staff cost differentials between headquarters and other locations.
6. Concrete actions for achieving efficiency savings within the authority of the Director-General include increased flexibility and delegations of authority; process and systems improvements including for emergency programmes; joint action with UN system partners; and ensuring greater autonomy of the various decentralized offices.



7. One-time costs of implementing the reforms already approved by the Conference are clearly a necessary investment for achieving savings and for improving the organization's effectiveness. The estimated one-time costs total US\$ 15 million, as previously reported, and fall within three main areas of action:

- US\$ 6.4 million are to be incurred to put into place the approved structure at headquarters and the decentralized offices;
- US\$ 6.7 million are due to the implementation of the Shared Services Centre (US\$ 3.4 million) and streamlining of management processes (US\$ 3.3 million), as part of the organization's ongoing efforts to improve efficiency;
- some US\$ 2 million comprise termination costs for general service posts abolished worldwide to comply with the Conference decision on the approved budget level.

8. One-time costs to be incurred in 2006-07 would total US\$ 14 million. Pending further consideration by Members to provide voluntary contributions, these costs will be funded through a combination of:

- external financing totalling US\$ 3.1 million, comprising: US\$ 2 million from the concerned host governments for the provision of the new subregional office premises that are fully MOSS-compliant as well as for vehicles and office equipment; and expected contributions for a total value of US\$ 1.1 million from the Government of Hungary for the required office space, equipment, furniture and relocation costs of professional staff to set up the Budapest hub of the SSC;
- internal reserves, whereby staff separation costs totalling US\$ 4.4 million would be charged to the Termination Payments Fund without impacting the programme of work for 2006-07;
- internal funding from the Regular Programme, utilizing: the adjusted budgetary provisions for training to cover one-time training costs (US\$ 3.2 million); unprogrammed funds in the Capital Expenditure Facility which would have otherwise been carried over into 2008-09 (US\$ 1.2 million); and savings flowing from staff vacancies throughout the organization and from non-staff budgets of decentralized offices.

#### *Proposals from the Director-General*

9. FAO's organizational transformation is not a one-time effort but a matter of continuous adjustment to external events, including the evolving aid coordination agenda. This underlines the case for continuing the structural changes beyond the first phase that was approved by the 2005 Conference, recognising that further programme and structural adjustments are possible in the future. Momentum should not be lost in matching ongoing UN system-wide developments, including those embodied in the Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System (2004) and changes at country level, building on the recommendations and management responses of FAO's reviews and independent evaluations.

10. Therefore, in conformity with operative paragraph 5 of the above Conference Resolution 6/2005, further proposals from the Director-General are submitted for eventual approval by the Council, through the Programme and Finance Committees. These take into account the views expressed by Members, including at the FAO Regional Conferences during the first half of 2006 and the guidance received from the Programme and Finance Committees in May 2006, as well as the results of internal consultations and analysis within the Secretariat. The proposals seek to improve the internal organizational mechanisms and response capacity of FAO, while respecting the substantive priorities already recognized by the governing bodies. The proposed headquarters and decentralized structure seeks to ensure that the right mix of expertise is placed in coherent organizational groups and that the required inputs are secured from the most cost effective geographical locations to achieve the objectives as defined in programme entities already approved by the governing bodies.

11. The wide-ranging work of the Independent External Evaluation (IEE) has only recently begun, and the conclusions will be presented to the FAO Conference in November 2007, while the timetable for implementation of UN reforms is uncertain. The Director-General's proposals, the IEE and UN Reform therefore have different time horizons and scope, with the result that one initiative may serve to reinforce the other.

#### **- Headquarters**

12. The headquarters structure in place since the beginning of 2006 needs to be adjusted to narrow the relative disparity in size among departments, and to reflect more effective combinations of staff working on closely related problems. It is also necessary to make the structure more reflective of the significant new dimensions inherent in the ongoing reform process, in particular the enhanced role of FAO as a knowledge organization. Finally, the headquarters structure should better support holistic approaches to the management and conservation of natural resources and ensuring social benefits commensurate with economic gains.

13. In line with the directives of the Conference, the proposed headquarters structure shown in the organizational chart in *Annex 4*, maintains a total of eight departments as at present. The major changes include:

- the transformation of the General Affairs and Information Department into a new Knowledge and Communications Department, with the transfer of the Information Technology Division from the Administration and Finance Department and the repositioning to the Communication Division of key activities from the Office of WFS Follow-up and Alliances (OFA), which is proposed to be abolished mainly for budgetary reasons;
- the establishment of a new department of Natural Resource Management and Environment, as a successor to the previous Sustainable Development Department, which would house a Land and Water Division and also cover a new division for Environment, Climate Change and Bioenergy;
- retaining agro-industries and rural infrastructure functions in the Agriculture and Consumer Protection Department, so as to fully embody the "farm to table" approach, and establishing a Crisis Management Centre to address transboundary pests and diseases of animals and plants and food safety crises - the latter would allow FAO to be better prepared for, and respond more quickly to crises affecting the entire food chain;
- in the Economic and Social Development Department, the creation of a division addressing Gender, Equity and Rural Employment to reinforce the departments' capacity to deal, in an integrated fashion, with the social as well as economic aspects of development. The department would also take over catalytic work on alliances from the former OFA.

14. The Departments covering the forestry and fisheries sectors would undergo some rearrangement so as to address their programmes more coherently. The new name of the latter department - Fisheries and Aquaculture - would better reflect the significantly increased priority to be given to aquaculture under these programmes. The Administration and Finance Department (AF) would be renamed Department of Human, Financial and Physical Resources, while the Technical Cooperation Department (TC) would remain substantially unchanged.

#### **- Decentralized Offices**

15. As shown in *Annex 4*, the calls made by the Regional Conferences for Latin America and the Caribbean and for the Near East, for the establishment of two new subregional offices for the Central America and Gulf subregions, have been heeded in the present proposals. These constitute in effect the only significant additions in terms of separate new offices at the regional or subregional level to those already approved by the Conference. It is anticipated that the concerned

host governments would provide MOSS-compliant premises, office equipment and cash and in-kind contributions towards running expenses as well as the provision of junior technical officers and support staff. The rearrangement of the staffing establishment in Santiago, Bangkok and Cairo to include MDTs within these Regional Offices would serve the countries not covered by the proposed or existing subregional offices. The proposed transfer of the Regional Office for Europe to Budapest (henceforth to be called Regional Office for Europe and Central Asia) would maximise synergies and realise cost savings through co-location with the subregional structure already placed there.

16. In addition, since the decision of the Russian Federation to take up membership in the Organization in the early part of 2006, active contacts are under way with this country to establish a liaison office in Moscow.

#### *Programme and budget implications*

17. The proposals reallocate resources towards high priority areas, taking advantage of the savings generated by restructuring measures and adjusting income to take account of higher reimbursements for support costs from emergency and normative projects, and host country contributions for the new subregional offices. All the MDTs would have expanded provisions for non-staff human resources, to meet demands in the respective geographical areas beyond the available expertise within the teams. In response to guidance provided by the Programme and Finance Committees US\$ 1 million per biennium in non-staff resources is reallocated from Programme 3J: *Communication and Public Information* to the Secretariat of the International Treaty on PGRFA (PE 2AP03) and IPPC (PE 2CP01), and to assure a properly functioning system of internal control, nearly US\$ 2.4 million per biennium is added since the Revised PWB 2006-07 to restore funding for the Local Audit Programme at the appropriate level and to provide further resources to the Finance Division and the Office of the Inspector General.

18. The proposed overall net reductions in posts since 2004-05 remains as in the Revised PWB 2006-07 at 122, while professional posts in decentralized locations would rise from 34% to 37% of the total (up from 30% in the 2004-05 PWB ). It is recalled that differences in staff costs between headquarters and various locations imply that in the case of multi-disciplinary teams and the support staff, the biennial staff cost savings compared with headquarters range from US\$ 0.5 million to US\$ 1.2 million for each team.

19. The staffing of the additional subregional offices and the proposal to shift a large share of SSC functions from Rome to Budapest will result in a net addition of 99 posts in the decentralized locations compared with the Revised PWB 2006-07 and an equivalent reduction at headquarters. Most of the post reductions at headquarters are due to the SSC abolitions, which account for 72 reductions. The overall professional technical capacity of the organization would rise when compared with the Revised PWB 2006-07.

20. One-time transition costs arising from implementation of the further proposals are estimated at US\$ 2.7 million, and are to be funded through a mixture of internal and external sources. Specifically, US\$ 1.2 million is likely to be covered by host country contributions for the establishment of new subregional offices; US\$ 0.5 million in termination cost could be charged to the Termination Payments Fund; US\$ 0.5 million in one-time training costs would be provided from the regular programme training budgets, and the balance of US\$ 0.5 million would be covered from other internal resources.

## **I. INTRODUCTION**

21. Comprehensive reform proposals were submitted by the Director-General in the context of the Programme of Work and Budget (PWB) for the 2006-07 biennium. Together with the mandatory biennial Budgetary Appropriations Resolution, the FAO Conference adopted at its session of November 2005 a Resolution endorsing a first phase of reforms. A copy of this Resolution is provided as *Annex 1* and it authorised:

- the implementation of progressive changes to the organizational structure at headquarters;

- as a first step, implementation of the Director-General's proposals for strengthened decentralization in one region and one other subregional office (SRO); and
- the establishment of a Shared Services Centre.

22. In accordance with the 2005 Conference Resolution on Reforms, at their sessions of May 2006, the Programme and Finance Committees reviewed the Revised PWB 2006-07<sup>1</sup> and dealt with putting into effect this first phase. The Revised PWB 2006-07 presented a biennial programme of work reflecting the reforms already approved by the 2005 Conference and adjusted to the approved budget level of US\$ 765.7 million. In nominal terms, this budget level was US\$ 16.8 million higher than the 2004-05 budget and the majority of the nominal increase was earmarked for the escalating requirements to provide for the security and safety of staff and assets of the Organization. The approved 2006-07 budget therefore provided insufficient funding to maintain purchasing power compared with 2004-05 and, consequently, required nearly US\$ 39 million (5.2%) in real reductions through further efficiency savings and programme cuts. The Committees approved the revised programme of work for 2006-07, elaborated at the programme entity level, by consensus (cf. paragraph 6 of the report of the Joint Meeting of the two Committees which is before the Council<sup>2</sup>) and provided guidance concerning the implementation of the programmes in 2006-07.

23. Comprehensive details of the implementation of the changes already approved by the Conference are provided in *Section III*, including the full-scale implementation of the Shared Services Centre. *Section IV* covers measures to improve efficiency, which are within the authority of the Director-General.

24. In recognising that its Resolution only endorsed a first phase of reforms at headquarters and the decentralized structure, the Conference invited the Director-General to consult with Members and the governing bodies regarding the possible need for an extraordinary session of the Council in June-July 2006 to decide on further implementation of the Director-General's proposals. Following discussions in December 2005, it was decided that further proposals would be submitted to the regular session of the Council in November 2006, so as to allow sufficient time for initiation of the first phase of reforms and consultations between Members about implementation of further proposals.

25. Thus, in the first half of 2006, consultations took place about possible proposals from the Director-General, taking advantage of the scheduled sessions of the FAO Regional Conferences. These were presented in document RC/2006/1 circulated to all Regional Conferences. Most delegations at the Regional Conferences supported further proposals to be addressed by the governing bodies at this juncture, while some favoured postponing such consideration at a future time, taking account of the ongoing Independent External Evaluation of FAO (IEE). Others indicated their readiness to consider further reform proposals, if submitted to the next Council with relevant quantified information on the implementation of decisions already approved by the Conference and on the costs/benefits of additional measures (as recapitulated in *Section VI.F*). Advance indications were also given to the Programme and Finance Committees in the Revised PWB 2006-07 document. The Committees noted the advance indications and recognised that substantive discussions on further changes were not possible until after they received specific and complete proposals, which are contained in the present document.

26. Consultations have also taken place with FAO management and staff including through: the regular management structures, such as the Senior Management Meeting and Programme and Policy Advisory Board (PPAB); the interdepartmental working groups which were established in 2005 to facilitate the preparation and implementation of reforms; video and audio conferences

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<sup>1</sup> PC 95/3 – FC 113/14

<sup>2</sup> CL 131/13

with decentralized offices; and regular meetings with the staff bodies through the Joint Advisory Committee on FAO Reforms.

27. The further proposals are elaborated in *Sections V* and *VI*. They take into account the guidance of the Conference to maintain a total of eight departments at headquarters as at present. They have been adjusted to take account of the opinions of the governing bodies, Member States and FAO officials during the past months and, of course, cannot be divorced from the 2006-07 budget level which influences the pace and effectiveness of any organizational transformation.

28. The Director-General remains convinced of the need to continue the changes beyond the first phase for headquarters and decentralized offices that was approved by the 2005 Conference and to proceed without delay with what the Council in June 2005 concurred as: “the need for a major shift in organizational culture”. There has been no let-up in the pressing demands from the membership in relation with the implementation of FAO’s global activities and its contribution to the achievement of the Millennium Development Goals (MDGs), which call for a fully responsive Organization. In addition, momentum should not be lost in matching ongoing UN system-wide reforms, particularly at country level, building on the recommendations of, and management response to the independent reviews and evaluations, some of which already considered and/or endorsed by the Committees.

29. Therefore, besides further refinement of the structure at headquarters to make it more balanced and fully reflective of the new dimensions inherent in the reform process, the Director-General considers it imperative to put in place as early as possible a coherent field office presence and arrangements in all geographical areas, taking into consideration the views expressed at Regional Conferences.

30. In synthesis, *Section II* of the present document summarises important features of the ongoing reform process and clarifies the relationships between the Director-General’s reforms, UN reforms and the Independent External Evaluation. *Section III* provides an update of the progress made regarding the implementation of the first phase of approved reforms, while *Section IV* summarises the plans for achieving streamlining and efficiency savings (which are basically within the authority of the Director-General) to help alleviate the adverse consequences of the overall budget constraints. In conformity with operative paragraph 5 of the Conference Resolution reproduced in *Annex 1*, further reform proposals from the Director-General are described in *Section V* together with their programme, budgetary and staffing implications in *Section VI* for eventual approval by the Council, through the Programme and Finance Committees. Recapitulation of the savings and benefits arising from the first phase and further proposals is provided at the end of *Section VI*. As reflected in their reports, clarifications were requested, and guidance was provided, when the Programme and Finance Committees reviewed the substance in the Revised PWB, which have been addressed throughout the document.

## **II. BACKGROUND**

### **A. SALIENT FEATURES OF THE ONGOING REFORM PROCESS**

31. The urgency of decisive action on FAO's part became already apparent in the context of discussions of major challenges and how to address implementation of the MDGs in the meetings of the UN Chief Executives Board (CEB) attended by all heads of UN organizations at the end of 2004. In early 2005, FAO re-examined all of its programmes in the light of the MDGs and of the ongoing process of UN reform. Much of FAO’s work was already contributing directly or indirectly to the achievement of the MDGs, especially MDG 1 – to eradicate extreme poverty and hunger – but more had to be done, particularly in terms of advocacy; better targeting of FAO’s programmes; strategic alliances and partnerships; and cooperation at the country level with UN system partners. The findings of numerous reviews and evaluations were also available to guide needed changes. Therefore, the pressing requirement in countries called for strengthening FAO substantive contributions and more effective structures, as part of collective UN action.

32. Starting in the summer of 2005, the rationale and scope of reforms were discussed with, and explained to the membership, with extensive materials submitted to a number of FAO intergovernmental instances. In addition, numerous consultations were held with Permanent Representatives in Rome and national authorities in countries. Consultations were also held with staff. As can be seen in *Annex I*, the 2005 Conference welcomed the initiative to submit the reform proposals and expressed general support for the rationale and guiding principles underlying the proposals as a basis for further deliberation and implementation of the reform of FAO. In order to put into perspective the further proposals which are the main focus of the present document, a synthesis of the most salient features of the Director-General's assessment of the challenges and opportunities and the guiding principles underlying reforms are summarised below.

#### *Context of major challenges*

33. Several key challenges were identified as particularly relevant to FAO and have influenced the formulation of reforms. These include identifying the Organization's contribution to the eradication of poverty and hunger (which is part of the MDGs), and raising the sustainability of production and distribution systems, safeguarding natural resources such as soils, water and forests, preserving agricultural biodiversity and fish stocks.

34. At the same time, new opportunities need to be seized to harness knowledge for agriculture and promoting its sharing, in line with the rapid evolution of communication technology. Emphasis needs to be shifted more towards ensuring that the benefits of urbanisation, globalisation 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, 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 opens new avenues for poverty reduction and economic growth. Efforts will also have to be intensified to deal with familiar and new forms of natural and human-induced disasters and to increase emergency preparedness.

#### *Guiding principles*

35. In this light, a number of guiding principles were distilled, as follows:

- a) **Preserving Members' priorities**, i.e. giving due prominence to work on international regulatory frameworks, conservation of natural resources and fight against plant pests and animal diseases; and to technical and policy assistance, including transfer of best practices in operations and emergencies.
- b) **Enhancing FAO's role as a knowledge organization**, taking advantage of rapidly evolving information and communication technologies, ensuring in particular the dissemination and promotion of best practices and thematic knowledge networks.
- c) **Increased focus on capacity-building**, to develop individual and institutional capacities at regional and country level.
- d) **Strengthened interdisciplinarity**, to match the increasingly complex problems and new threats faced by countries in their food and agricultural development.
- e) **Working together with UN partners**, including through joint programmes and active participation in the UN system country team to support national policy or planning exercises in line with FAO's mandate.
- f) **Reinforcing alliances with civil society and peoples' organizations**, at both national and international levels, especially with a view to better assisting Members in attaining the MDGs.
- g) **Marshalling resources to support Members**, not solely for programmes to be implemented by FAO, but more importantly to play a catalytic role in leveraging the investments required by Members to support agriculture and food security in their country.

- h) **Deepening cooperation with Members' organizations**, recognising the growing involvement of Regional Economic Integration Organizations (REIOs) in agricultural and food security issues.
- i) **A more effective country focus**, *inter alia* through the formulation of agreed long-term strategies (2015) and national medium-term priority frameworks (NMTPFs) to enhance coherence of FAO's assistance at country level, which is to be buttressed by multidisciplinary capacity at the subregional level.
- j) **Universality in serving Members, while maintaining selectivity in allocating resources**, implying special attention to the most needy country groups.
- k) **Adaptation of organizational structures, coupled with better management processes**, i.e. introducing the appropriate mix of reforms in the programmes and structures of the Organization to maximise synergies and cost effectiveness.
- l) **More flexible means of action**, setting higher targets for the proportion of non-staff relative to staff resources in the overall budget and the percentage of professional posts in decentralized locations.

#### *New dimensions*

36. As one of the above principles, a prime dimension of the reforms is to give a more effective meaning to FAO as a knowledge organization, including interactive information dissemination services (e.g. "Ask FAO") and more widespread use of thematic knowledge networks, bringing together specialists for the solution of specific problems and sharing of experiences across countries and regions. As a corollary, a special focus is put on capacity-building and dissemination of best practices to assist countries, their decision-makers and technical specialists, and their institutions, to develop their own capabilities and to draw greater benefits from FAO's work.

37. More efficient ways of working are also involved in the process: e.g. increased flexibility and delegations of authority, streamlining including for director-level positions in the organizational structure at headquarters as reflected in the Revised PWB 2006-07; and ensuring greater autonomy of the various decentralized offices, particularly the subregional and country offices.

38. Enhanced multidisciplinary approaches are achieved by a combination of structural measures (both at headquarters and in decentralized locations) and better integration of the Priority Areas for Inter-disciplinary Action (PAIAs), as adopted in the Revised PWB 2006-07.

#### *Overhaul of the structures in decentralized locations*

39. The reforms embody a more effective field office network, including:
- national FAO offices that are better equipped to serve countries in need of assistance and more focused in their work;
  - subregional offices staffed with multidisciplinary teams (MDTs) and strategically located, as well as MDTs co-located with regional offices;
  - more focused regional offices engaged in regional issues.

### **B. RELATIONSHIPS BETWEEN THE DIRECTOR-GENERAL'S REFORMS, UN REFORMS AND THE IEE**

40. In identifying several key challenges and establishing the guiding principles for reforms, the Director-General recognised that an evolving external environment is a reality to which organizations must adapt and respond to maintain relevance. Thus it was deemed necessary to position FAO to take new directions, including moving in closer step with the rest of the UN system, despite the fact that a number of facets of UN reform are still to be discussed or decided.

41. The Secretariat recognises the need to dovetail UN and FAO reform initiatives and has taken a number of steps to facilitate this, including participation in consultations with members of the UN Secretary-General's High-level Panel on UN system-wide Coherence and consultations

with representatives of Member States to the UN in New York. Most recently (July 2006) FAO took part in discussions at the Operational Activities Segment of the UN Economic and Social Council (ECOSOC), providing views on how to strengthen the UN development system. These have undoubtedly enriched FAO's own change process.

42. FAO has also participated in discussions at the United Nations Development Group (UNDG) on reform issues and how they might be jointly implemented. Recently, FAO through the UNDG Task Team on MDGs, contributed to the formulation of a Plan of Action (2006-08) to support integration of the MDGs into Poverty Reduction Strategy Papers (PRSPs) and other national plans. FAO took the lead, together with WFP and IFAD, on a work stream for food security, hunger reduction and rural development under Challenge 2 of the proposed Action Plan on: *Sustaining progress achieved through scaling up and targeted investments*. The Organization is an active member of the UNDG Working Groups on Aid Effectiveness, joint programmes, multi-donor trust funds and Result-Based Management, Non-Resident Agencies, Resident Coordinator Issues and Country Support. FAO supports a greater harmonisation and division of work between UNDG and CEB. Activities should be undertaken by making full use of their comparative advantages and relevant structures.

43. The Organization endeavours to contribute to addressing the duplication, fragmentation, competition for resources and consequent high transaction costs for UN system assistance which should be primarily based on the needs, priorities and capacities of recipient countries. It can also assist to the extent possible in improving the development cooperation landscape and aid architecture. FAO's vision of a strengthened UN development system finds particular resonance in the *Paris Declaration on Aid Effectiveness*. Countries must lead their own development processes and coordinate external assistance for that purpose. Nationally-owned development strategies (whether poverty reduction strategies or national development plans), joint assistance strategies with their Sectoral Advisory Groups and sector-wide approach (SWAs) follow this direction. Budget support and use of government systems (rather than parallel management systems) also move towards greater national responsibility for administering, allocating, and being accountable for the use of external financing. The UN system, indeed assistance from all sources, must support country leadership of these new instruments and modalities, but this will require new ways of doing business.

44. Pivotal to a strengthened development system, from the perspective of FAO, are:

- *the Resident Coordinator as an inspirational and impartial leader*: FAO supports the principle of "One Leader" of UN country teams (UNCTs) who acts in a collegial way and who is identified from the pool of all UN system agencies; FAO Representatives are already systematically instructed, through their letters of appointment to support the Resident Coordinator (RC), recognising his/her *primus inter pares* role, so as to ensure that aspects of food security and rural development are fully reflected in UN system-wide exercises at the country level;
- *a focused and strategic UN programme framework*: FAO is actively supporting the food and agriculture aspects of such frameworks with the progressive introduction of national medium-term priority frameworks through which joint priorities for Government/FAO collaboration are formulated, also related to the United Nations Development Assistance Framework (UNDAF);
- *joint substantive action and management*: including participation in a number of UN system common services at country level, when they are more cost-effective and more likely to enhance implementation and impact than individual arrangements. Simplification and harmonisation of systems, procedures and modalities of assistance are also supported, building, where possible and relevant, on national systems and procedures, hence avoiding parallel management systems.

45. FAO and WFP believe that substantive coordination at field level can be greatly facilitated by a theme or task-related approach, whereby UN entities with relevant competence



address specific tasks or issues. A similar cluster approach is currently being tested in the humanitarian assistance sector. FAO and WFP are now working on *Food Security Theme Groups* at country level, building on achievements of the UN Network on Rural Development and Food Security and on other relevant theme groups at the country level. Participation of other UN entities, *inter alia* UNICEF, WHO, and IFAD, alignment with country priorities/strategies, dialogue with government and donors, and insertion within the UNDAF, will be important. The three Rome-based UN system entities have recently designated senior level staff to work on concrete forms of collaboration at field level.

46. Further reforms are likely to emerge from the UN reform process, which will help to shape a stronger FAO. The Director-General has emphasised the need for complementarity between the ongoing reform process in the Organization and the outcome of the IEE adopted by the governing bodies. He has instructed the Secretariat to cooperate fully and transparently with the IEE team. The substantive work of the IEE has only recently begun, and the conclusions will be presented to the FAO Conference in November 2007. Reforms proposed thus far by the Director-General have sought to improve the response capacity of FAO in the face of acknowledged challenges, while broadly respecting the substantive priorities already recognised by the governing bodies and UN reforms embodied in the Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System (2004), which FAO has been asked to implement in FAO Conference Resolution 13/2005 (addressed further in *Section III* below).

47. In synthesis, FAO's organizational transformation is not a one-time event, but a matter of continuous adjustment to external events, such as decisions at the UN and the evolving aid coordination agenda. The Director-General's reforms and the IEE have different time horizons and scope - they are mutually supportive. Future adjustments are to be expected.

### **C. CLARIFICATION OF IMPORTANT DIMENSIONS IN THE DESIGN OF FAO'S PROGRAMMES**

48. Discussions between the Secretariat and delegations have underscored the need to clarify several dimensions in the design of FAO's programmes which are particularly relevant to ongoing reforms in the Organization. This is covered in some detail in *Annex 2* and the main aspects are summarised below.

49. After recalling the new chapter and programme structure used in the Revised PWB 2006-07 and endorsed by the Programme and Finance Committees, *Annex 2* describes the results-based budgeting principles applied in programme formulation and execution and stresses that the programme entities, as presented in the Revised PWB 2006-07, are the building blocks for FAO's programme of work. Programme entities are, therefore, the main way of articulating substantive priorities and communicating them to the membership.

50. *Annex 2* also spells out in concrete and practical terms the interdependence between "normative" and "operational" activities, which is a major comparative advantage of FAO, while also pointing out that discrimination in favour of either "normative" or "operational" work undermines these beneficial relationships. Inadvertent bias by using this categorisation in expressing preferences about substantive priorities has contributed to divisiveness between Members, hence the Director-General has sought to emphasise *FAO as a knowledge organization*, as part of the ongoing reform process.

51. *Annex 2* describes how the Organization's work programme cuts across *resource boundaries* (for instance, extrabudgetary resources contributing to the continuum of normative and operational work) and its execution cuts across *geographic boundaries*, as managers take into account considerations of responsiveness (e.g. to be closer to beneficiaries of FAO's products and services) and efficiency (e.g. most economical delivery mechanisms). In the light of the frequent use of the expression "critical mass", the Annex clarifies that critical mass should relate to resources for implementing the programme entities, as approved by the governing bodies.

“Critical mass” should not be linked to the geographical location of staff and inputs. Implementation should take advantage of the optimal delivery mechanisms for achieving programme results, using the tremendous opportunities of new information and communication technologies. In response to the interest expressed by the Programme and Finance Committees in this area, more information on cost differentials by location is also provided in *Annex 2* and summarised below.

52. By way of illustration, *Table 1* summarises the differences in staff costs between headquarters and various locations, in the case of a multidisciplinary team and the supportive staff. Savings would go from US\$ 490,000 to US\$ 1,216,000 per biennium.

**Table 1. Comparison of staff costs on a biennial basis (at local and headquarters cost levels US\$'000)**

Location	At local cost			At headquarters cost			Difference		
	Professional	General Service	Total	Professional	General Service	Total	Professional	General Service	Total
SFW Ghana	2,937	176	3,113	2,975	706	3,681	(38)	(530)	(568)
SAA Thailand	4,286	393	4,679	4,821	816	5,637	(535)	(423)	(958)
SLS Chile	3,258	464	3,722	3,475	737	4,212	(217)	(273)	(490)
SNO Egypt	1,923	210	2,133	2,187	713	2,900	(264)	(503)	(767)
SEC Turkey	3,201	544	3,745	3,502	848	4,350	(301)	(304)	(605)
SEU Hungary	2,926	527	3,453	3,103	1,560	4,663	(178)	(1,033)	(1,210)
SFC* Gabon	3,169	754	3,923	3,291	1,639	4,929	(122)	(885)	(1,006)
SFE* Ethiopia	3,507	371	3,878	3,455	1,639	5,094	52	(1,268)	(1,216)

\* Standard rate to be developed

53. With respect to the proposed establishment of three “hubs” of the Shared Services Centre in lower cost locations (Budapest, Bangkok and Santiago), as explained in *Section III.C* below, the biennial cost differentials between headquarters and these locations are portrayed in the following *Table 2*. It compares the cost of the hubs in those locations to the cost of the same staff if they were at headquarters. The difference is over US\$ 9.2 million. However, since existing staff in Bangkok and Santiago would be incorporated in the respective hubs, the effective benefits of favourable cost differentials will arise from geographic redistribution of responsibilities when compared with the current establishment and will yield a biennial saving of US\$ 8 million<sup>3</sup>.

**Table 2. Staff cost differential between Shared Services Centre hubs (Budapest, Bangkok, Santiago) and at headquarters (US\$'000 – on a biennial basis)**

	At local cost				At headquarters cost	Difference
	Budapest	Bangkok	Santiago	Total		
Professional	1,909	1,161	977	4,047	4,373	(326)
General Service	2,554	2,562	1,909	7,026	15,913	(8,888)
<b>Total</b>	4,463	3,724	2,886	11,073	20,287	(9,214)

<sup>3</sup> The movement of posts related to the full implementation of the SSC is summarised in Table 4.

### III. IMPLEMENTATION OF CONFERENCE DECISIONS

54. This section covers all the decisions already taken by the Conference. As appropriate, it recalls a number of actions reflected in the Revised PWB 2006-07 and provides updated information on the status of implementation since this Revised PWB was endorsed by the Committees in May 2006. In addition, the Programme Committee addressed at some length at its session of May 2006 the work in decentralized offices under the new operating model, being applied in Africa and Central Asia as part of the approved first phase of reforms<sup>4</sup>. Hence, this section and the supportive *Annex 3*, clarify further the functioning of these offices.

#### A. HEADQUARTERS STRUCTURE AS OF 1/1/06

55. The Conference authorised the progressive implementation of the Director-General's proposals on changes to the organizational structure at headquarters without an increase in the number of departments. In line with the directives (as set out in *Annex 1*) modifications to the headquarters structure have been made as of 1 January 2006.

56. Various advocacy activities, including TeleFood, Goodwill Ambassadors, and the International Alliance Against Hunger (IAAH) were placed within a single unit (the Office of WFS Follow-up and Alliances – OFA) in the Office of the Director-General *lato sensu*.

57. The Nutrition and Consumer Protection Division (previously named Food and Nutrition Division) has been moved to the Agriculture Department, while the latter was renamed Agriculture and Consumer Protection Department.

58. Security functions are now grouped in a unit placed directly under the authority of the Assistant Director-General (ADG) of the Administration and Finance Department (AF).

59. The establishment of the Shared Services Centre (SSC) saw as an initial step the merger on 1 January 2006 of the administrative work carried out in the Office for Coordination of Normative, Operational and Decentralized Activities (OCD) with the former Management Support Service (MSS), constituting a unit reporting to the ADG of the AF department.

60. In view of the required readjustment of the headquarters structure to eight departments instead of ten proposed to the Conference, the Director-General did not consider appropriate to introduce two changes mentioned in the Resolution. These were the integration of the country policy assistance function in the Economic and Social Department (ES) and the transfer of the Investment Centre (TCI) to the same ES department, as these two measures would have rendered the Technical Cooperation Department (TC) unviable and limited the scope for further adjustment to the ES department. Hence, the structure of the TC department has remained virtually unchanged.

#### B. DECENTRALIZED OFFICES

61. The implementation of the approved first phase in Africa and Central Asia entailed the establishment of three subregional offices in new locations. As explained below, while not an *a priori* factor of decision, it was concluded that one SRO would succeed an existing one, and another would be co-located with the regional office. The country coverage of the four SROs in Africa and the one for Central Asia is provided in the following *Table 3*. The process of transformation with offices in either new or reconfigured form is well underway and is expected to be completed by the end of 2006.

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<sup>4</sup> cf. CL 131/11, paras. 23 to 27

**Table 3. Coverage of subregional offices**

Subregion	Countries
West Africa, 15 countries	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo
Central Africa, 8 countries	Cameroon, Central African Republic, Chad, Congo, Congo D.R., Equatorial Guinea, Gabon, Sao Tome & Principe
Eastern Africa, 9 countries	Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Uganda
Southern Africa, 15 countries	Angola, Botswana, Comoros, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe
Central Asia, 7 countries	Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Turkmenistan, Uzbekistan <sup>5</sup>

62. The search for possible seats for subregional offices entailed an assessment of different locations in the corresponding subregion against a number of elements. This was done with a view to ensuring that the selected locations offered the best possible conditions for the establishment of a subregional office, including safeguards for sustainability, security arrangements and ease of contacts with organizations, partners and donors. The assessment also considered such factors as the effectiveness and mobility of members of the multidisciplinary team at the lowest cost, including airline connections.

63. The major elements taken into account were:

- a) existing FAO presence;
- b) airline connections, and average cost of transport to the other countries in the subregion;
- c) logistical facilities (e.g. telecommunication facilities and internet connections);
- d) provision by the host government of adequate infrastructure (as well as possible one-time contributions), i.e.:
  - adequate premises
  - furniture and office equipment
  - security measures in line with standards
- e) Host government contributions towards operating expenses, e.g.:
  - professional (national) staff
  - other support staff
  - contributions to general operating expenses to run the office.

64. After consultation within the subregions, the proposals received from interested Members were evaluated by a high-level committee and recommendations were made to senior management for decision. Field missions were sent to the countries to negotiate most favourable conditions and set in train all the measures required for timely opening of the new offices. Very positive reactions were obtained. Progress as of August 2006 is summarised below.

<sup>5</sup> It is recalled that the Subregional Office in Budapest (SEU) covers the following countries: Albania, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Serbia and Montenegro, Slovakia, Slovenia, the FYR of Macedonia and Ukraine.

### *Central Africa*

65. The location selected for hosting the new Subregional Office for Central Africa is the capital of Gabon, Libreville. Following negotiations on the different inputs to be provided, an agreement was signed in May 2006. According to this agreement, the Government of Gabon will support the establishment of the office by providing: three renovated villas compliant to UN Minimum Operating Security Standards (MOSS) in the centre of the capital, and US\$ 200,000 for their equipment (e.g. computers, photocopiers); three vehicles; seven junior professionals and ten support staff; and an amount of US\$ 150,000 per year as a contribution to general operating expenses of the office.

66. The renovation of the premises is expected to be completed soon. The Subregional Coordinator has been identified and the other members of the MDT have been selected. It is planned for the staff to move to Libreville between August and September 2006. It is expected that the office would be functional by October 2006.

### *Eastern Africa*

67. It is envisaged that the Subregional Office for Eastern Africa will be located in the capital of Ethiopia, Addis Ababa. In an agreement being negotiated and planned for signature in August, the government is considering making available the required office space and agreed to provide equipment and furniture (including security equipment), several junior technical officers and support staff. An annual contribution may also be considered towards the operating expenses of the office.

68. The Subregional Coordinator and other members of the team are expected to be selected by the end of August, with the move to Addis Ababa to follow, allowing the office to be operational by October 2006.

### *Southern Africa*

69. The Subregional Office for Southern Africa would continue to be located in Harare, Zimbabwe. During negotiations, the government has committed to continue to make available the required office space. In the final agreement signed in July 2006, the government has also committed to support the functioning of the office by providing: a complement to the existing furniture and office technology equipment; inputs required for MOSS; seven junior professionals and eight support staff; and US\$ 200,000 per year as a contribution to general operating expenses. The Subregional Coordinator and the new team should be operational by October 2006.

### *West Africa*

70. The Subregional Office for West Africa will be hosted in Accra, Ghana, where the Regional Office is already located. The host government in an agreement signed in August 2006 is to make available the required office space, close to the Regional Office and compliant with MOSS standards. Co-location would provide scope for efficiency gains and facilitate synergy between the two groups of staff. The government also agreed to provide equipment and furniture (including security equipment), as well as seven junior technical officers and eight support staff. An annual contribution of US\$ 200,000 is to be made towards the operating expenses of the Office.

71. The Subregional Coordinator has been identified and the remainder of the team is expected to be in place by September 2006. It is expected that the office would be operational by October 2006.

### *Central Asia*

72. The location selected for hosting the new Subregional Office for Central Asia is Ankara, Turkey. In an agreement signed by the government at the end of July 2006, it has committed to provide: fully renovated and equipped premises, meeting UN MOSS; seven junior professionals and eight support staff; and an annual contribution of US\$ 300,000 to general operating expenses

of the office. It may be noted that the government has also approved funding of a project aimed at supporting rural development and food security in the Central Asia subregion for an amount of US\$ 2 million per year over five years.

73. The renovation of the premises is expected to be completed by the end of September. The Subregional Coordinator has been identified and the team is being selected. The staff is planned to move to Ankara between October and November 2006 and it is expected that the office would be operational by December 2006.

### **C. FULL-SCALE IMPLEMENTATION OF THE SHARED SERVICES CENTRE (SSC)**

74. This section describes the steps required to fully implement the Conference decision as it relates to the SSC, and achieve budgetary savings of US\$ 4 million per annum, without diminishing service quality. This is higher than the tentative estimate of US\$ 3.5 million per annum presented to the last Conference.

#### *Services to be included in the new SSC*

75. The concept of the SSC is consistent with the Human Resources Management Model (HRMM). The model builds on the capacity of the new Human Resources Management System (HRMS) to deliver transactional services at locations different from those at which the relevant decisions are taken. This is also true for other administrative functions (i.e. financial services) supported by new information systems. Therefore, it is envisaged that the SSC will process administrative transactions that meet the following criteria:

- a) high volume;
- b) routine in nature;
- c) based on agreed and documented rules and standard procedures;
- d) of low strategic importance;
- e) location independent.

76. These criteria are applicable to transactions in the areas of human resources, travel, finance and procurement. Specific processes meeting these criteria include personnel servicing, travel advances, travel expense claims, journals, letters of agreement, accounts payable, some clerical procurement transactions, inventory processes, and supporting help desk facilities. These processes are currently undertaken in units in the Management Support Service (AFDS), the Finance Division (AFF) and the Administrative Services Division (AFS) at headquarters, and in the Management Support Units in the regional offices.

#### *Measures to ensure service quality*

77. It will be necessary to put in place measures which maintain service quality and provide full transparency and accountability for service levels, whilst increasing the efficiency of the services provided. In order to deliver services at an assured level of quality, a coordination centre will be located at headquarters and will retain the responsibility for ensuring service quality worldwide. Non-headquarters SSC staff will report to this nucleus.

78. Services will be provided from the SSC hubs to departments in the Organization to a pre-determined quality level, established in formal Service Level Agreements. In this manner clarity and transparency regarding service levels to be provided by the SSC will be assured. This will be supported by help-desk services, co-located with the main transaction processing, and feedback to initiators on progress with transactions.

79. It is therefore considered necessary that the SSC and its help desk are located in a time zone similar to that of the majority of the staff generating transactions, and that the help desk staff are proficient in the working language of the staff they support. Based on this, and having considered having the SSC in a single centre or in several centres, the Organization is opting for a

multi-centre structure as explained below, as FAO's offices span several continents and time-zones.

### *Grouping and location of SSC services*

80. Given the foregoing requirements, the Organization proposes moving headquarters-based work to lower cost locations, allocating work to regional offices based on time-zone considerations. Consideration was also given to dividing headquarters-based administrative transaction processing amongst the regional offices, either on a departmental basis or a functional basis. Neither were considered to be optimal solutions as both suffered from significant drawbacks in terms of time-zone differences between the SSC and main clients, failure to achieve economies of scale, and risks of non-uniform treatment of processes.

81. The preferred approach for implementation requires the movement of headquarters-based administrative transaction processing to a regional office location with lower staff costs, a similar time-zone, good proficiency in the headquarters working languages, good facilities and a reliable information and communications technology infrastructure. In view of the proposal described in *Section V* to move the Regional Office for Europe and Central Asia to Budapest and the favourable conditions for such transfer offered by the Government of Hungary, Budapest is, therefore, considered the most suitable location for administrative transaction processing to service headquarters. An alternative would be to transfer these functions to regional office locations in Bangkok and Santiago, involving also the transfer of some SSC professional staff to these locations.

82. The SSC hub in Budapest would deliver SSC functions for headquarters, Africa and North Africa and the Near East regions. It would also directly assume some of the work of headquarters, such as that of the Accounts Payable unit in AFF, and clerical procurement transaction processing and inventory functions, currently performed by AFS. The Regional Offices of Accra and Cairo will provide budget holder services to their staff and co-located SROs only.

83. Due to the sharply different time-zones of the Regional Offices in Bangkok and Santiago, the SSC functions cannot easily be provided to these offices from other regions. Building on the expertise already available in these offices, it is envisaged that further SSC hubs be established in RLC and RAP to carry out the full range of SSC functions for their respective regions including FAORs and SROs.

84. Consequently, the optimum solution would be to have an SSC consisting of a coordination centre at headquarters in Rome and three major processing locations in three regional offices (Budapest, Santiago and Bangkok).

85. In summary, this approach has the following advantages:

- a) *Reducing unit costs*: one very important factor that was considered in determining locations of the new centres was the wide disparity in costs of general service level staff at different FAO locations. Operations from headquarters and in the three locations, Budapest, Santiago and Bangkok, are cost effective.
- b) *Service level*: the headquarters coordination centre and 3-hub SSC approach provides a complete time-zone coverage for FAO's global operations, and managers and staff who need to avail themselves of SSC services can do so largely within their own office hours. There is no time-zone difference between Budapest and headquarters which means that, in addition to the fully synchronised service delivery to headquarters staff, liaison between the SSC hub in Budapest and the headquarters centre as well as the AF department's substantive divisions, is facilitated. Travel costs, where necessary, are also minimised.
- c) *Infrastructure*: all of the three SSC hubs benefit from good local communications and IT infrastructure services, which are essential to underpin FAO's electronic transactions and administrative processes.

- d) *Grouping*: any widespread dispersion of transaction processing activities would lead to diseconomies of scale, and the SSC must therefore group together similar or related transaction processing functions to achieve economies. There will be significant numbers of SSC staff in Budapest. This concentration ensures that economies of scale can be captured, both now and in the future, reducing the fragmentation of services across geographical locations which is associated with distribution of headquarters workload across numerous regional offices.

*Estimated post-based cost reductions*

86. In addition, the implementation of Oracle HRMS workflow and self-service functionality will streamline processes and enable the required output to be achieved at lower cost. The reduced size of regional offices under the reform proposals will also impact on the number of staff required for ancillary services – drivers, registries, gardeners etc. This reduction is outside the scope of Shared Services Centre activity and is therefore not considered here.

87. Aspects of the proposal include the transfer of a significant amount of high volume transaction-based work from a high cost location (Rome) to low cost locations: Budapest, Santiago and Bangkok. *Table 4* below summarises the movement of posts across the Organization.

**Table 4. Movement of posts related to the full implementation of the SSC**

Location / Unit	Posts (Abolished) / Created		Net Change
<b>Headquarters</b>	<b>Professional</b>	<b>General Service</b>	
AFD		-51	-51
AFF	-5	-6	-11
AFS	-2	-8	-10
<b>Regional Locations</b>			
Accra	-1	-12	-13
Cairo	-1	-6	-7
Bangkok		2	2
Santiago		3	3
Budapest	8	64	72
<b>Net Change</b>	<b>-1</b>	<b>-14</b>	<b>-15</b>

88. The proposal entails an overall reduction of 14 general service posts, with a reduction of 7 professional and 64 general service posts at headquarters, 1 professional and 12 general service posts in RAF, and 1 professional and 6 general service posts in RNE. It will require the creation of 8 professional and 64 general service posts in Budapest, 3 general service posts in Santiago and 2 general service posts in Bangkok.

89. This proposal thereby generates efficiency savings of US\$ 4 million per annum. It also allows the absorption of SSC workload from RAF and RNE in the areas of personnel servicing and travel processing, whilst at the same time leaving sufficient staff resources in these two regional offices to carry out the current transaction initiator/budget holder duties.

90. The three elements of efficiency saving measures can be re-stated in terms of post-cost savings in the following manner:

- a) *Streamlining processes* – included in the overall 13 general service level post reductions, is a net reduction of 10 posts in personnel servicing as a result of



process efficiency arising from the implementation of Oracle HRMS workflow and self-service functionality. Because of the automation of transaction flows, the Organization currently estimates that it will need some 45 general service level positions in personnel servicing in Budapest/Rome, instead of the current 55 in Rome/RAF/RNE;

- b) *Grouping like functions together* – the new SSC maintains the bulk of current headquarters processing in one location, combining this with workloads from RNE and RAF, and ensures that new functions from AFF and AFS are also provided from a single location to ensure economies of scale are fully realised; and
- c) *Reducing the unit costs* - the mid point of the general service salary scale in Budapest is 32% of that in Rome, in Santiago is 59% of Rome, in Bangkok is 43% of Rome, in Cairo is 24% of Rome and in Accra is 19% of Rome.

91. In synthesis, the Organization's response to the Conference decision on streamlining and the establishment of the SSC includes elements of streamlining processes such as the introduction of self-service functionality and electronic workflow; grouping like functions together from the headquarters SSC and the Management Support Units (MSUs) in RAF and RNE to achieve economies of scale; and reducing unit costs by moving to a lower cost location, to achieve budgetary savings of US\$ 4 million per annum. With the implementation of the Human Resources Management Model (HRMM) in 2007 there will be further opportunities for streamlining and cost savings through the rationalisation of service delivery functions between AFH, the SSC and Regional MSUs. In addition, experience shows that further efficiencies can be expected in future biennia, subsequent to the introduction of new systems, as the new processes settle. For example, since the Management Support Service was established five years ago, further savings have been achieved through greater efficiencies, and a similar phenomenon may be expected with the SSC as the new systems, procedures and workflows gradually stabilise.

#### *Phased approach*

92. In order to fully implement the SSC, it is considered necessary to have a phased approach across the years 2007, 2008 and 2009, for three main reasons:

- a) *Systems and process constraints*: so that the implementation of electronic systems can be completed during 2006 and 2007;
- b) *Infrastructure and training*: so that it can proceed within an orderly framework, including availability of suitable premises and equipment pre and post-implementation training, such that risks can be managed properly; and
- c) *Impact on staff*: so that its implementation minimises the adverse impact on staff.

93. Each of these considerations is examined below.

#### *a) System and process constraints*

94. The full implementation of electronic systems, currently under development, is a prerequisite for the establishment of a fully-functioning SSC and the attainment of attendant savings. The most notable of these are as follows:

95. HRMS – as recalled above, the introduction of the new HRMS system is planned for end 2006, and will introduce many streamlined HR business processes. However, as with any major new system, there will be a period of transformation and change associated with introduction of new procedures. It would be prudent to allow for a “settling in period” before adopting a new model based on HRMS procedures, and this would delay deployment of the new SSC structure for HR processes until the 2nd half of 2007.

96. HRMM – the introduction of the HR Management Model is dependent upon deployment of the HRMS and the full implementation and deployment of the Model will take place progressively in 2007. The merging of HR administrative processes, currently undertaken in the

SSC, MSUs and AFH and the channelling of HR support services is therefore not likely to take place until the second half of 2007.

97. Electronic personnel records – the current main source of personnel records and correspondence is paper-based. The ability to separate administrative processing actions from the source of processing requests depends on a greater use of electronic document processing than currently exists within FAO. A project to achieve this has been included in the Capital Expenditure facility, with full implementation of improved facilities expected by the end of 2007.

98. Full electronic processing – since some transactions cut across many functions (e.g. entitlement travel involves personnel, travel and finance elements), it is a prerequisite that the workflow from the initiator to each of these functions becomes fully electronic. Furthermore, new imaging software will have to be introduced so that original documents in headquarters (invoices, travel expenses) can be electronically transmitted to a remote location for processing. Workflow from the initiator to each of the locations executing travel, personnel and finance functions becomes electronic.

99. New travel system - a new internet-based travel system is planned for the end of 2007 and, following introduction of this new system, the Organization can implement a more decentralized travel processing model.

100. In addition to the above constraints, it must be recognised that the introduction of the HRMS and payroll systems, together with the HRMM and travel systems, represent major increases in workload within AF Department at a time when the department is struggling to deliver against its mandate in the face of severe budgetary constraint. The ability of the department to introduce new support arrangements in a low-risk manner requires that the approach to introduction be evolutionary rather than revolutionary.

**b) *Infrastructure and training***

101. Suitable premises will need to be identified. In the context of the transfer of the Regional Office for Europe in Budapest, discussions are taking place with the Hungarian Government and the conditions for the provision of additional office space if FAO operations were to significantly expand in Budapest due to the establishment of a SSC unit are being finalised.

102. Clearly a large general service recruitment exercise would need to be undertaken and this will need to be supported by a major training programme, with secondments of experienced AF departmental staff to Budapest for knowledge transfer. Together with the recruitment exercise, the Organization will actively pursue the rehiring on local conditions of any general service staff willing to relocate to Budapest.

103. Telecommunications and technical infrastructure for Budapest would need to be provided to enable full use of self service facilities and the document management system, and to guarantee effective communications with the administrative services providers.

**c) *Impact on staff***

104. The requirement to minimise the social impact on the current staff of the SSC is a critical factor for a phased implementation of the SSC. This will be addressed *inter alia* through natural attrition, as a large number of staff would be reaching mandatory and early retirement in the Organization and consequently there will be increased staff turnover. In addition, the Organization will pursue the redeployment of staff, the rehiring of general service staff on local conditions in the new regional location and agreed terminations where necessary.

105. This proposal involves significant redeployment for headquarters-based general service staff, mainly in AFDS, but also in AFF and AFS. It is expected that within the next 3 years, natural attrition for general service level staff in the Organization will increase. Eighty-two headquarters-based general service staff will be separating from the Organization over the period 2007-2009 as a result of reaching mandatory retirement or because of known resignations, and the proposed phased approach will assist with a smooth redeployment process. Technical divisions

have on numerous occasions in the past selected SSC staff for their vacant posts covering non-technical work. It is anticipated that this process will continue as vacancies arise throughout headquarters. Reassignment of affected staff would be supported by an active programme of retraining.

106. A phased implementation of the SSC will also mitigate the one-time costs of implementation.

#### **D. NEW OPERATING MODEL FOR DECENTRALIZED OFFICES**

##### *Responsibilities and relationships*

107. An Information Note on the *Responsibilities and relationships between headquarters and decentralized offices under the reform*<sup>6</sup> was submitted to the Programme Committee in May 2006. The Committee looked forward to further clarifications on the framework of relationships, particularly on reporting lines. These are summarised below and more fully elaborated in *Annex 3*. They build on extensive consultations within the Secretariat aiming at a more concrete specification and description of the responsibilities of, and relationships between, the various layers of the organizational structure.

108. The division of responsibilities between headquarters and each of the decentralized structures (country, subregional and regional) is firmly based on the priorities identified at each level of the structure, and foresees two types of links among units or officers:

- the traditional hierarchical lines of command; and
- the provision of (and at the other end, adherence to) functional guidance, so as to ensure technical quality, coherence and support for the effective application of corporate policies and procedures.

109. The new operating model for decentralized locations involves a more responsive field office network, through: 1) regional offices, with technical officers working in the line of command of their parent division at headquarters focused on responding to regional priorities; 2) strategically located subregional offices, working through multidisciplinary team (MDTs) composed of Subregional Technical Officers (STOs) and FAO Representatives (FAO Reps), as well as MDTs co-located with regional offices. The time of STOs will be divided between contributions to substantive programme entities (about 50 percent) and technical assistance to countries or their intergovernmental organizations (about 50 percent); FAORs will be working as members of the MDTs for 30% of their time under the line of command of the Subregional Coordinator (SRC) and the functional guidance of the relevant headquarters unit; 3) country offices focused on priorities agreed with the government and United Nations country teams through the UNDAF and NMTPF processes, with FAO Reps spending on average up to 30 percent of their time on MDT activities.

110. The new operating model will therefore: i) sharpen priority focus of all layers of the decentralized structure; ii) clarify lines of command and functional guidance and responsibilities; iii) improve coordination between the respective layers with greater attention for decentralized priorities, knowledge management and mechanisms for assuring the technical quality of programmes and projects worldwide. The changes are supported by appropriate budgetary and human resource management incentives to facilitate cooperation and teamwork.

111. Some examples of coordination arrangements are provided in *Annex 3*. One of the mechanisms proposed is that of a regional management team (RMT), to be headed by the Regional Representative and including the Subregional Coordinators in the region (participating through video or audio conferencing, as necessary), which would meet periodically to review pressing programmatic and managerial issues. As the subregional offices are part of the regional

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<sup>6</sup> PC 95/INF/7

office, the Regional Representative is the main player in relation to FAO's regional structures and one of the most important tasks of the RMT is to maximise synergies among decentralized offices operating in the region.

### *Staffing of MDTs*

112. For the five subregional offices concerned by the first phase of reforms approved by the Conference, the Revised PWB 2006-07 included assumptions regarding their eventual staffing using as a starting point a standard model of seven (substantive) international professional posts, covering: animal health/production, plant production/protection, fisheries, forestry, land and water, policy and investment. However, this was subject to further adjustments to take account of location-specific conditions, where justified. The Programme Committee stressed the need for more clarification on the skill mix within the MDTs being set up during the year 2006.

113. Following the May 2006 sessions of the Committees, the establishment of the five offices moved into final phases, requiring – beyond firm agreements with host countries and the availability of adequate premises, as reported above – more precise parameters to fill the posts within MDTs, i.e. in terms of numbers, grades and terms of reference.

114. Extensive consultations took place to that effect with the concerned technical departments and the regional office. The functions of subregional coordinator are to be entrusted to one of the members of the team in addition to his/her technical work as budget constraints do not allow for separate posts for this. While a non-ideal situation, the increased non-staff allocation to the subregional office will allow for the subregional coordinator to carry out managerial and representational functions as well as technical duties.

115. One adjustment from the above standard model was in terms of the number of substantive professional posts in each MDT, based on differences in the country coverage of each subregion (cf. *Table 3* above). Hence, while the subregional offices for Central Africa and Central Asia were kept to the original allocation of seven posts (including the coordinator) given the smaller coverage by these offices, those for other subregions were granted higher complements of posts (up to nine).

116. Given the fairly homogenous elements of policy-related and investment support work irrespective of geographical locations, the corresponding posts in the five MDTs have relatively similar terms of reference. However, again given the likelihood of higher demands in Southern and Western Africa, two policy posts were assigned to the related MDTs.

117. The other substantive posts may have differing emphasis on certain aspects: i.e. the importance of dealing with animal health, e.g. trypanosomiasis and wildlife (in addition to forestry management) in Central Africa; more attention to livestock production, especially for small herders, and to inland fisheries in Eastern Africa; a predominantly water profile for the land and water post and conservation profile for the forestry post in Southern Africa; etc. Given the prevalence of food crises in the subregion, the MDT in Southern Africa has been strengthened with a food and nutrition officer.

118. It is emphasised that a common feature for all MDTs (those approved and proposed future ones – cf. *Section V* below) is the availability of higher than average provisions for non-staff human resources, precisely to provide due flexibility to the teams to procure expertise not present among the permanent staff.

### *Substantive contributions from the various layers to the programme of work*

119. All geographical layers of the structure (including headquarters) are to provide direct services to Members or support to the field programme – generally under the so-called technical services (TS) entities. However, the Programme Committee considered that more clarifications were required to enlighten the membership as to the expectation that technical staff in regional offices and the multi-disciplinary teams in the subregional offices (in their case on average up to

50 percent of their time) are to contribute to implementation of the pertinent programme entities under the leadership of the concerned headquarters department or division.

120. Accordingly, two concrete examples are provided below in the context of the approved first phase of reforms: i.e. the Regional Office for Africa in Accra (RAF) and the subregional office for Central Africa as being established in Libreville, Gabon (SCE).

121. This information on substantive contributions must be seen in relation to specific programmes and entities (based on the structure and programme content in the Revised PWB 2006-07, as fully described in the detailed formulation of programme entities available on the FAO Web site at: [www.fao.org/pwb/2007](http://www.fao.org/pwb/2007) . However, in order to convey even more concretely the necessary integration between the various layers, the narratives below are presented by the main “parent” headquarters departments (based on the existing structure).

122. According to established procedures, the headquarters departments and divisions exercise a full “planning” responsibility for the entities, i.e. also factoring the time allocations for staff in decentralized locations as appropriate. The pattern of time allocation by substantive staff in the regional office is very similar to that at headquarters, as well as that for the average 50 percent share of the MDTs.

### **Regional Office for Africa**

123. The reconfigured Regional Office for Africa includes substantive posts dealing with the following disciplines: food and nutrition, water development, agro-industries and infrastructures, crop protection and animal health (outposted from AG); fisheries and aquaculture (FI); forestry (FO); economics, food systems - FIVIMS<sup>7</sup> and statistics (ES); gender and development (SD) and policy – 2 posts (TC). This is distinct from the soon to be operational and co-located subregional office for West Africa mentioned above. Activities under the leadership of the various departments are illustrated below.

#### **a) AG department**

124. Work on animal health would be primarily dedicated to supporting the Programme Against African Trypanosomiasis (PAAT), including meetings of the PAAT Advisory Group Coordinators and of the 37 tsetse and trypanosomiasis country liaison officers. Participation would be ensured in the annual Executive Committee meetings of the ISCTRC<sup>8</sup>. After the launch, by the African Union, of the Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) in 2000, RAF would continue to serve as a conduit for technical support to PATTEC in West Africa. Regular monitoring would be done of regional developments in relation to transboundary animal diseases, particularly of emerging and zoonotic nature and with food safety implications. The above inputs are mostly in connection with programme entities 2CP05: *EMPRES*<sup>9</sup> and 2DA01: *Animal product food safety*.

125. The outposted officer from the AGP<sup>10</sup> dealing with crop protection would cover in the first instance implementation of the IPPC and associated International Standards for Phytosanitary Measures (ISPMs) and their impact on the regulation of movements of plants and plant products (entity 2CP01). Technical advice would be provided to Members on Integrated Pest Management (2CP04) and pesticide management, especially in relation to the Rotterdam Convention (2CP02). Close liaison would be maintained with regional organizations dealing with plant protection, quarantine matters, as well as research and training in plant protection so as to promote the effective use of standards, guidelines and targeted plant protection programmes.

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<sup>7</sup> Food Insecurity and Vulnerability Information and Mapping System (FIVIMS)

<sup>8</sup> International Scientific Council for Trypanosomiasis Research and Control (ISTRIC)

<sup>9</sup> Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases (EMPRES)

<sup>10</sup> Plant Production and Protection Division (AGP)

126. Inputs in relation to nutrition and food control would include: the preparation and organisation of technical and policy meetings, including the FAO/WHO (Codex) Coordinating Committee for Africa; collaboration with the regional structures of WHO on the implementation of the recommendations of the FAO/WHO Regional Food Safety Conference for Africa (October 2005), e.g. the initiation and coordination of regional food contamination monitoring and surveillance programmes and the application of Codex standards, guidelines and recommendations. RAF staff would support the development of a comprehensive African Regional Nutrition strategy (e.g. attending an ECOWAS<sup>11</sup> conference in September 2006). In addition responses to requests for assistance would be facilitated by the regular updating of national plans of action for food and nutrition security.

127. The outposted AGL<sup>12</sup> officer would contribute to the following activities under entity 2KA01: *Agricultural water use efficiency, quality and conservation*: the exchange of experience on water policy and institutional reforms; the dissemination of best practices on transboundary watercourse system management and relevant legal/institutional frameworks, through appropriate networks; the development of training modules for senior officials on the formulation and implementation of agricultural water policy across transboundary river-basins and aquifers; materials to promote agricultural water use efficiency, quality and conservation. Under 2KA06: *Integrated land, water and production systems policies, planning and management*, inputs would address planning for and sustainable management of wetlands, land use management and fertilizer use, policy aspects of improved dryland rainfall management in specific regional contexts, and more generally, strategies and decision-making related to integrated natural resources management and rehabilitation of degraded land. Under 2KP02: *Land and water knowledge management, information systems, databases and statistics*, inputs would relate to regular updating of knowledge on land and water issues; periodic reports on the state of land and water resources in the region, and ensuring interface with regional initiatives linked to major UN conventions.

128. Under Programme 2M, AGS<sup>13</sup> outposted staff would work on agro-industrial, agribusiness and marketing development and their necessary infrastructure requirements. This would involve: 1) continuing appraisal of capacity-building needs and support to the dissemination of information, with particular attention to agricultural marketing, rural finance, small farmer income and livelihoods, agro-enterprise development, quality and safety management and assurance systems, business linkages and value chains, value adding technologies, and mechanisation; 2) joint development (with headquarters) of technical documents, training materials and information materials, coupled with technical backstopping to field projects; 3) contacts with other organizations, associations and private sector firms working on agribusiness, agro-industries and rural infrastructure and informal networks for exchange of information, lessons and good practices. A substantial share of staff time will be devoted to supplying technical services to Members, coupled with appropriate non-staff resources to ensure a satisfactory level of these services.

**b) Forestry department**

129. The forestry specialist who is the Secretary of the African Forestry and Wildlife Commission would contribute in particular to: entity 2EP03: *Forestry knowledge and communication centre*, by coordinating all forestry networks in the region, and preparing forestry country profiles; 2EP05: *Strengthening policy, institutional and participatory capacities for forest management and conservation* primarily in terms of advice on the preparation and implementation of national forestry programmes; and also in relation to international forestry processes with impact on the region (2EP06). Support would be ensured to numerous meetings on

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<sup>11</sup> Economic Community of West African States (ECOWAS)

<sup>12</sup> Land and Water Division (AGL)

<sup>13</sup> Agricultural Support Systems Division (AGS)

technical, institutional and governance issues concerning forestry in Africa. Technical support services to Members are expected especially in the context of NEPAD<sup>14</sup>.

**c) Fisheries department**

130. Inputs of the fisheries position would fall under the following entities: 2HP01: *Provision of fisheries information and statistics*, assisting with collecting and compiling statistical information on fisheries and aquaculture; 2HP04: *Global socio-economic analysis*, covering regional perspectives as needed; 2HS02: *Promotion and strengthening of fisheries and aquaculture regional bodies*, through secretariat services to regional fishery bodies and identification of issues to be addressed in these fora; 2JA02: *Implementation of MCS*<sup>15</sup>, promoting effective policies for combating illegal fishing through improved national, subregional and regional MCS; and in the overall implementation of the Code of Conduct for Responsible Fisheries (2HA02).

131. Similar inputs would be provided as regards aquaculture, requiring a strong component of technical support to countries and backstopping to field activities in addressing specific aspects of aquaculture development in the African Region. The incumbent serves as the Secretary of the Committee for Inland Fisheries of Africa (CIFA).

**d) Technical Cooperation department**

132. The presence of the TC department in RAF is through two policy posts (outposted from the TCA<sup>16</sup> division). The incumbents would contribute to several programme entities led by TCA under Programme 3B of the PWB, especially: policy-related support to Regional Economic Integration Organizations; monitoring and analysis, on a continued basis, of regional agricultural development; lesson learning and dissemination of good practice in the region; the identification of regional priorities in policy matters, and conceptual support to the formulation of national medium-term priority frameworks, as needed.

133. In the African context, these policy officers would give due prominence to major regional initiatives, such as the NEPAD's Comprehensive Africa Agriculture Development Programme (CAADP), including the identification, formulation, appraisal and backstopping of regional cooperation programmes and projects, as well as the development of FAO's own field programme in the region.

**e) Economic and Social department**

134. The ES department would supervise three posts in RAF. One economist (outposted from ESC<sup>17</sup>) is to contribute to ESC overall work of: gathering commodity and market information; identification of regional priorities and concerns in the trade and marketing sectors; supporting projects, notably the ongoing West Africa certification project; and organisation and preparation of meetings and workshops, including for trade-related capacity-building. Those inputs would take place under most of the entities led by ESC under Programme 3C, i.e. 3CA02 (multilateral trade negotiations), 3CPO6 (market analysis and assessments) and 3CPO7 (globalisation and trade issues relevant to agricultural markets). Under entity 3HP05, effective connections would be ensured between the Rome-based GIEWS and appropriate SROs and FAO country offices (interacting with institutions providing critical information for food security monitoring and early warning).

135. The FIVIMS officer would maintain close liaison with the six divisions associated with the FIVIMS entity (3BA01), as well as TC staff in the region. Among other tasks, the officer

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<sup>14</sup> New Partnership for Africa's Development (NEPAD)

<sup>15</sup> Monitoring, control and surveillance (MCS)

<sup>16</sup> Policy Assistance Division (TCA)

<sup>17</sup> Commodities and Trade Division (ESC)

would assist national authorities towards improved understanding of the magnitude, incidence and causes of food insecurity, and encourage cross-sectoral analysis of food security and nutrition data and information. Under Programme 3D, the regional statistician would *inter alia*: i) provide secretariat services to the African Commission on Agricultural Statistics (AFCAS); ii) facilitate CountrySTAT outreach for improved data coverage and quality in FAOSTAT; and iii) support capacity-building related to surveys and censuses.

*f) Sustainable Development department*

136. Under Programme 3F, the gender and development officer would address both the impact of human diseases on agricultural productivity and household food security (taking account of the significance of the HIV/AIDS problem to the region) and gender equality and social equity issues. Inputs would be provided to policy advice, technical assistance, capacity-building and training services to Members, particularly for mainstreaming gender and social equity aspects into policies, programmes and projects. Analysis of constraints caused by HIV/AIDS and other human diseases on agricultural production will be carried out.

**Subregional Office for Central Africa**

137. The MDT would comprise seven officers, one of them doubling as Subregional Coordinator. The expected contributions they would make to headquarters-led entities (up to 50 percent of the time on average) can be described as follows.

138. The officer dealing with animal health and production would be concerned primarily with entities: 2BA02: *Sustainable livestock production* and 2BA03: *Management of animal genetic resources*, especially assisting in: the design of national and subregional livestock development programmes, including those related to improved animal genetic resource use and conservation; control/eradication measures for animal diseases which constrain herd/flock productivity; technical meetings, expert consultations, seminars and training courses in the areas of animal production and herd health; reporting on priority animal agriculture problems in the subregion.

139. The Land and Water officer would provide inputs mirroring those described above at regional level for the counterpart in RAF, i.e. focused on entity 2KA01: *Agricultural water use efficiency, quality and conservation* and 2KA06: *Integrated land, water and production systems policies, planning and management*. These inputs would be mostly in relation to: training materials, guidelines, seminars on on-farm water control; technologies and methodologies for planning and sustainable management of wetlands; instruments and mechanisms to share benefits and costs by resource users in rural watersheds; workshops on the introduction and adaptation of conservation agriculture approaches in the subregion.

140. Besides TS entities of direct support to Members and the field programme, the Crop Production and Protection officer is expected to contribute mostly to three entities led by AGP, i.e. 2AA06: *Crop production systems – sustainable intensification, diversification and biodiversity*, 2CP02: *Pesticide risk reduction* and 2CP04: *EMPRES*. The officer is to support subregional thematic knowledge networks of national specialists on plant protection issues and transboundary plant pest problems. Inputs would be provided to the organisation of meetings, conferences and seminars and to periodic review and appraisal of current plant production and protection programmes in the subregion.

141. As regards forestry, it should be noted that the subregion is particularly rich in resources. Hence, the forestry officer will focus advice to countries on the evaluation and sustainable management of these resources, also covering the prevention of illegal logging and poaching of wild animals. Requirements for capacity-building would be analysed as well as performances in the implementation of national forestry programmes, especially to take account of the impact of a



number of forestry initiatives in Central Africa such as COMIFAC, CEFDAC<sup>18</sup> and the Congo Basin Partnership.

142. Concerning fisheries activities, the incumbent of the post would also act as subregional coordinator and execute managerial functions, while technical inputs are foreseen in relation to entities 2HA02 (Implementation of the Code of Conduct), 2HP01 (Fisheries Information and Statistics) and 2HP04 (Global socio-economic analysis on fisheries and aquaculture).

143. The two posts relating to policy and investment support would complete the provision of subregional services. The policy officer would support the work of TCA staff at headquarters and RAF within the subregional perspective, i.e. giving prominence to: policy-related support to subregional economic integration organizations such as the Central African Economic and Monetary Community; monitoring and analysis of subregional and country information; and assisting with national medium-term priority frameworks in the countries of the subregion. The investment officer will lead and/or participate in investment programme formulation, supervision and review missions on behalf of the range of international financial institutions (IFIs) served by the global TCI-led entities: i.e. the World Bank (3AS01); the other Rome-based UN agencies (WFP, IFAD) (3AS12); the African Development Bank and other banks and bilateral organisations (3AS14). He/she would also assist with country-level capacity-building in investment planning and programming (3AS16).

#### **E. COMPLIANCE WITH TCPR RESOLUTION ADOPTED BY THE CONFERENCE**

144. While the relationships between ongoing reforms in FAO and broader UN system-wide reform initiatives have been addressed in the preceding *Section II*, it is pertinent to recall that the FAO Conference also endorsed Resolution 13/2005 at its last session. In effect, the Conference requested the Director-General to take appropriate actions for the implementation of General Assembly Resolution 59/250 (on the *Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System - TCPR*)<sup>19</sup>, and that an interim report on its implementation be submitted to the 34<sup>th</sup> Conference. Pending the submission of this latter report to the Conference, it may be useful for the Committees and the Council to be apprised of the following summary information.

145. An Oversight Committee at Assistant Director-General level and an Interdepartmental Working Group (IDWG) at senior officer level have been established to guide follow up action and the preparation of the report due to the FAO Conference in 2007. The IDWG has completed (June 2006) a first review of the Organization's performance and status with regard to the requests made in Resolution 13/2005. Although most of the provisions of the TCPR are not directly addressed to the specialised agencies but to the funds and programmes of the UN, the review has applied the text *mutatis mutandis* to FAO conditions.

146. Through its membership in the UNGD, FAO has been associated with the full range of activities undertaken in the UN system in relation to the implementation of the TCPR. At country level, it may be noted that FAO's cooperation with the UN system is organised along the following lines:

- a) FAORs are instructed to take active part in the UN Country Team (UNCT) under the leadership of the UN Resident Coordinator (RC). While FAO does not have

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<sup>18</sup> Central Africa Forests Commission (COMIFAC); Conférence sur les écosystèmes de forêts denses d'Afrique centrale (CEFDAC)

<sup>19</sup> GA Resolution 59/250 includes chapters: II on funding for operational activities for development of the UN system; III on capacity-building; IV on transaction costs and efficiency; V on coherence, effectiveness and relevance of operational activities for development; VI on country level capacity of the United Nations System; VII on evaluation of operational activities for development; VIII on regional dimensions; IX on South-South Cooperation and development of national capacities; X on gender; XI on transition from relief to development; and XII on follow-up.

resources to programme on a multi-year basis at country level (as some UN funds may do) FAORs contribute to the preparation of CCAs<sup>20</sup> and UNDAFs. In some cases, they have assumed a leadership role in thematic groups related to agriculture/rural development and food security, with the support from technical divisions at headquarters. FAORs can serve as acting RCs, in the absence of an RC. The NMTPFs are to be progressively linked to the related national planning processes, and have been piloted in several countries since 2005. They embody a joint effort with the governments concerned in establishing priorities and clear focus for FAO's support. These NMTPFs will underpin UNCT dialogue with the host country in the preparation of UNDAFs, from the perspective of FAO's mandate.

- b) Through the FAO multidisciplinary teams at subregional level, the UNCTs will have increased access to technical expertise relating to the food and agriculture sector, which is also to be facilitated by greater non-staff human resources available to FAORs and recourse to the TCP Facility, which authorises each FAOR office to approve up to US\$ 200,000 under TCP funding, particularly for inputs to CCA, UNDAF and/or PRSP related processes and activities.
- c) FAO seeks to join in common services arrangements when they are more cost-effective and likely to enhance programme implementation and general administrative management than individual arrangements. Like many other specialised agencies, FAO often benefits from premises made available free of charge by the government, mainly located in Ministries of Agriculture, which *inter alia* facilitates capacity-building of counterpart staff and institutions. FAO's policy regarding country office facilities remains guided by cost-effectiveness considerations while currently the Organization participates in common premises arrangements in 21 countries.

147. Other issues covered by the TCPR, such as capacity-building, gender, South-South Cooperation, regional approach and transition from relief to development have a high priority status within FAO and are handled through dedicated divisions (SDW<sup>21</sup> or TCE), specific programmes (e.g. Programme 3A), and initiatives such as for South-South Cooperation within the framework of the Special Programme for Food Security (SPFS).

148. Among the next steps envisaged in follow up will be to monitor closely FAO's participation and involvement in the UNCTs, its contributions to CCAs/UNDAF exercises, as well as the inputs provided to UN system-wide efforts on resource mobilisation. Participation in joint offices or common premises will be conditioned by progress made, based on eventual pilot exercises in selected countries.

## F. TRANSITION COSTS

149. One-time transition costs arising from implementation of the first phase of reforms (i.e. those approved by Conference) were estimated at US\$ 15 million in the Revised PWB 2006-07. This estimate has been updated and confirmed based on an analysis by main causal factor within three main areas of action by the Organization which are described below: streamlining and efficiency gains; structural change underway; and impact of the near zero nominal growth budget for the biennium. Pending further actions by Members to provide extrabudgetary support, external and internal sources of funding to meet these costs are also summarised below.

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<sup>20</sup> Common country assessment (CCA)

<sup>21</sup> Gender and Population Division (SDW)

*Streamlining and efficiency gains*

**a) *Implementation of the Shared Services Centre (SSC)***

150. The Revised PWB 2006-07 anticipated that additional measures to reduce costs were being contemplated in connection with the implementation of the SSC. As described in *Section III.C*, the SSC is under phased implementation at multiple locations. The preferred approach entails the creation of a new processing centre (or hub) in Budapest coupled with the reconfigured processing centres in Santiago and Bangkok. The three hubs would be managed by a coordination centre based at headquarters. Administrative structures, that would be smaller than at present, would continue to exist in Accra and Cairo.

151. There would be one-time costs associated with the full implementation of the SSC which will include, where appropriate, requirements for suitable premises, provision of telecommunications and technical infrastructure; relocation or termination of staff; and recruitment and training of local staff, which will be supported by the secondment of experienced or current SSC staff from Rome. The preferred approach of creating a hub in Budapest has the further financial advantage of the lower cost of transfer of professional staff (who would otherwise transfer to Bangkok or Santiago under an alternative scenario for implementing the SSC) and the willingness of the Hungarian Government to cover such costs.

152. The one-time costs to be incurred through 2009 would amount to US\$ 3.4 million, of which US\$ 1.6 million is required for training. US\$ 2.2 million would need to be incurred in the 2006-07 biennium. The government of Hungary, subject to the completion of internal approval procedures to give effect to an agreement being negotiated and planned for signature in October 2006, is considering providing or meeting the following one-time costs for the establishment of the Shared Service Centre (SSC): the required office space; the necessary equipment (including information technology and computers) and furniture; and, as noted above, the relocation costs of international staff, for a total value of up to US\$ 1.1 million. In addition, it agreed in principle to sharing in the annual running costs of the SSC.

**b) *Streamlining and strengthening of management processes***

153. One-time costs in connection with streamlining and strengthening the management processes, including delegation of authority, are estimated at US\$ 1.5 million to cover the updating of the Organization's administrative and operating manuals, the implementation of new banking arrangements, development of improved management models and communications related software. This would be basically covered from the provisions under Chapter 8: *Capital Expenditure* (which are US\$ 4.5 million higher than those presented to the 2005 Conference), by utilizing un-programmed funds that would otherwise have been carried-over into 2008-09. Another US\$ 1.3 million is associated with separations, relocations and training of staff as a result of changes in management processes (of which US\$ 0.5 million for training).

154. Also pertaining to this rubric is the net decrease of 21 headquarters positions at director-level and above in the Revised PWB, aimed at achieving a 'flatter' (i.e. de-layered) management structure at headquarters. Many of these posts were vacant as a result of deliberate management action, and nearly all incumbents were identified for redeployment to other assignments. This action resulted in biennialized cost reductions of US\$ 9.1 million (including related positions for support staff), which were redirected in the Revised PWB 2006-07. The one-time separation costs under this rubric have been estimated at US\$ 0.5 million.

*Structural change underway*

**a) Headquarters structure**

155. One-time costs associated with the approved changes to the headquarters organizational structure are negligible. The cost of one-time refresher or re-skilling training for the affected staff is estimated at US\$ 0.4 million.

**b) Decentralized locations (see preceding Section III.B)**

156. It is estimated that US\$ 0.8 million would be needed to supply the required physical infrastructure in country offices, including for information technology systems. One-time costs for the MOSS security requirements in the new country offices would amount to US\$ 0.6 million. Staff separation costs for posts abolished in country offices as a result of their restructuring are estimated at US\$ 0.4 million, including those arising as a consequence of assigning National Professional Officers (NPOs)<sup>22</sup> to undertake administrative functions.

157. Several different categories of staff – particularly FAO Representatives in all areas and staff to be deployed in subregional multidisciplinary teams in Africa and Central Asia – require one-time intensive retraining. Training modules have been developed on policies and strategies for agricultural and rural development; agricultural investment, and FAO Representative competency development. Also foreseen is training for all new national professional and administrative officers. The total one-time training cost for the biennium is estimated at US\$ 1.3 million for FAORs and US\$ 0.3 million for SROs.

158. The establishment of three subregional offices in new locations (Central Africa, East Africa, and Central Asia) results in US\$ 0.6 million in one-time costs for professional staff relocation. Physical investments to equip the new offices with vehicles, office equipment, furniture, and improvements to meet the MOSS security requirements, equivalent to US\$ 2.0 million, will be covered by host countries.

*Impact of near zero-nominal growth budget*

159. The extent of one-time costs is clearly influenced by the level of the approved budget, since the requirement to make real reductions in successive biennia obliges the Organization to eliminate staff positions. Termination costs of general service posts abolished worldwide due to the reduced budget level approved for 2006-07 are estimated at US\$ 2.1 million for one-time separation costs in accordance with the provisions in the FAO manual.

160. *Table 5* below summarises one-time costs by causal factor and the benefits accruing to the Organization from the actions undertaken in the implementation of the Revised PWB. External sources of financial support are also indicated.

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<sup>22</sup> It is noted that the use of National Professional Officers to carry administrative functions related to the operations of the decentralized offices is fully in line with the guidance of the International Civil Service Commission (ICSC) on the use of this category of staff.

**Table 5. Summary of one-time costs, benefits and financial support for reforms already approved**

Causal factor	One-time cost estimate (US\$ million)	Benefit arising from action [and external financial support]
Shared Services Centre	3.4	Savings of US\$ 4 million per year (compared with a target of US\$ 3.5 million per year anticipated to the 2005 Conference) and more efficient delivery of services, in direct response to guidance from governing bodies. [Some US\$ 1.1 million would be covered by the Government of Hungary for the required office space, the necessary equipment (including information technology and computers) and furniture and the relocation costs of international staff. In addition, it agreed in principle to sharing in the annual running costs of the SSC.]
Streamlining and strengthening of management processes	3.3	Administrative streamlining allows redirection of resources towards substantive work and facilitates a culture of empowerment. The abolition of 21 Director-level and associated general service posts released US\$ 9.1 million in the Revised PWB. The elimination of management layers streamlines decision-making processes.
Headquarters Restructuring	0.4	Improved grouping of expertise, facilitating synergies in programme implementation.
FAOR Reorganization	3.1	Heightened capacity to respond to country needs and to establish a unity of purpose and action throughout the Organization.
RO/SRO Reform	2.9	Improved capacity to support action at the country, subregional and regional level. Improves progress towards fully networked Organization. [Negotiated host country agreements include in kind contributions in terms of furniture, IT, MOSS compliant premises, etc. equivalent to US\$ 2 million. In fact, these host governments will also provide junior technical officers and support staff for a value of approximately US\$ 6 million per biennium and have pledged assistance towards running costs in cash and in kind for an amount equivalent to US\$ 1.8 million per biennium.]
Reduction due to near ZNG budget	2.1	One-time downsizing costs to comply with Conference decision on approved budget level.
<b>Total</b>	<b>15.2</b>	

*Financing of one-time transition costs*

161. Past and ongoing organizational transformation throughout the United Nations system, public sector and private sector has entailed incurring of one-time costs. For a UN specialised agency, the options are essentially through internal resources and reserves or external funding.

162. The capacity to settle internally one-time transition costs is partly diminished by the budget level, for example through fewer opportunities to redeploy staff to available positions. Precautionary measures to deal with the impact of change and in particular the constraints of a near ZNG budget are being pursued, as anticipated in the Revised PWB. Every effort is being made to redeploy staff against available vacant positions in the Organization and through the careful management of external recruitment.

163. Separation costs would be charged to the Termination Payment Fund, thus avoiding adverse consequences on the implementation of the programme of work for 2006-07. Although funding is available for such purposes, the lack of replenishment would worsen the overall financial position of the Organization.

164. The overall capacity of an Organization to absorb one-time costs finally also depends on the generosity of its Members. Favourable conditions have been negotiated with the concerned host governments, which include contributions towards one-time costs such as provision of premises compliant to UN Minimum Operating Security Standards (MOSS) and supply of office equipment. In fact, these host governments have also pledged assistance in cash and in kind towards running costs, for an amount equivalent to US\$ 1.8 million per biennium. Furthermore, they will provide junior technical officers and support staff for a value of approximately US\$ 6 million per biennium.

165. Some Members indicated their willingness to respond to the call from the Director-General to assist with the ongoing reform process in due course, in the light of proposals being submitted to the Council in November, after review by the Programme and Finance Committees in September 2006.

166. *Table 6* summarises the sources of funding to meet these costs, pending further actions by Members to provide extrabudgetary support.

**Table 6. Summary of funding of one-time costs linked to reforms approved by the Conference**

Description	Funding Amount (US\$ million)
Contributions from host countries for MOSS compliant premises, equipment, vehicles, and other costs (external funding)	3.1
Coverage of separation costs from Termination Payments Fund (from reserves)	4.4
Funding of training costs from Regular Programme training budget, including from support cost earnings (internal source of funds)	3.2
Funding from Chapter 8: <i>Capital Expenditure</i> , of one-time costs for streamlining and strengthening management processes (internal source of funds)	1.2
Funding from savings flowing from staff vacancies throughout the organization and from non-staff provisions of regional and subregional offices (internal source of funds)	3.3
<b>Total</b>	<b>15.2</b>

167. While the above *Table 6* embodies a secure funding plan to meet the one-time costs of implementation of the reforms already approved by the Conference, further extrabudgetary contributions from Members to meet part of these costs would greatly facilitate the process and strengthen priority areas.

#### IV. MEASURES UNDER THE AUTHORITY OF THE DIRECTOR-GENERAL

168. As indicated in *Annex 1*, the 33<sup>rd</sup> Conference: “*supports streamlining of administrative and financial processes aimed at achieving further efficiency gains and enhanced human resources policy and management.*” This section covers the related achievements and plans within a framework for achieving efficiencies that were articulated in the Revised Programme of Work and Budget 2006-07, encompassing five over-arching principles:

- **All-inclusive:** no activities should be excluded;
- **Empowering approach and accountability:** managers should set their own target and be held accountable for delivering and reporting results;
- **Delegation of authority:** defining the appropriate levels of delegation and internal control;
- **Cost allocation:** effective internal pricing strategy for better cost measurement and greater interdisciplinary collaboration; and
- **Auto-evaluation:** should be performed for all programmes, using common criteria and procedures.

169. The search for opportunities for streamlining administrative processes, including delegation of authority, and the implementation of identified measures are ongoing high priority tasks which the Organization has been pursuing for several biennia. In reviewing the matter at its Session in May 2006, the Finance Committee welcomed the efforts made to maximise efficiency savings and productivity gains, as well as the additional measures to reduce costs and took note of the substantial reductions since 1994 in the overall staffing of the Finance Division (32%), Human Resources Management Division (55%) and Administrative Services Division (49%).

170. As reported in the Revised PWB, an Interdepartmental Working Group on Streamlining of Administrative Procedures and Delegation of Authority (IDWG on Streamlining and Delegations) was set up in the latter part of 2005 to identify further efficiencies and this has accelerated progress. The IDWG has analysed and confirmed numerous process streamlining initiatives. Some of these are described below. Most of the measures referred to below focus on the work of the Administration and Finance Department, but it is recognised that the pursuit of efficiency and streamlining initiatives should be *all-inclusive* so that no activities of the Organization are excluded. The Director-General has instructed the IDWG to continue its work and to make additional recommendations for streamlining and delegations of authority. As it continues its collection and review of proposals, the IDWG will work more closely with the technical departments, the users of many of the administrative processes, with a view to going deeper into the Organization in search of efficiency savings and productivity gains.

##### A. DELEGATIONS OF AUTHORITY

171. In May 2006, DG Bulletin 2006/19 provided details of 31 delegations of authority from the Office of the Director-General to Assistant Directors-General and division directors.

172. Further delegations of authority have also been effected, including to FAO Representatives regarding commitments under the TCP facility, and increases to the procurement authority delegated to regional and subregional offices and those FAO Representatives who require such increased authority and have the administrative capacity. Increased delegations have been granted to heads of departments for the approval of Letters of Agreement (LoAs) and to budget holders for the purchase of equipment, supplies and services through Low Value Orders. Authority has been delegated to subregional coordinators and FAO Representatives to recruit

local general service staff, following detailed guidelines. Increased delegated authority has also been granted to the Director of the Information Systems and Technology Division (AFI), to approve the purchase of non-standard IT hardware and software.

173. In April 2006, heads of departments and independent offices were requested to delegate authority for budget monitoring and consequent expenditure approval down the management chain, from department heads to other managers, in order to streamline internal approval mechanisms in areas such as procurement, Letters of Agreement, recruitment of non-staff human resources and travel.

## **B. PROCESS AND SYSTEMS IMPROVEMENTS**

174. The IDWG on Streamlining and Delegations also made 55 proposals regarding opportunities for streamlining administrative procedures which have been implemented or are being addressed. Recommendations that have already been implemented include: i) revised rules regarding employment of National Project Personnel; ii) extension of the use of local orders; iii) use of long-term procurement agreements; iv) the introduction of Operational Cash Accounts to support activities in locations where there are no banking facilities; v) use of standard system functionality to process payment transactions for Conference and daily rate staff; and vi) the introduction of revised cost allocation rules and internal pricing for staff. A revised methodology for the internal distribution of earnings relating to project servicing costs has also been introduced.

175. Other streamlining proposals currently being addressed include the introduction of electronic payment request forms, rationalisation of headquarters payment methods, simplification of procedures for processing entitlement related transactions such as education grants and revisions to the rules regarding LoAs.

176. Many of the recommendations are being addressed as part of the implementation of three significant administrative system enhancement projects as follows:

### ***a) Human Resources Management System (HRMS) project***

177. The Oracle HRMS and payroll applications are planned for release at the end of 2006. Integrating them with the existing Oracle system for financial applications will lead to major changes to current ways of working and to procedures and processes regarding all staff related transactions including recruitment, appointment, entitlements, staff training and development, leave management and payroll. Implementation of some 26 streamlining recommendations is directly related to the successful introduction of the new Oracle HRMS. It is expected that 17 proposals will be fully implemented at the release date, 6 will be partially implemented and 3 will require work in the post-implementation phase.

### ***b) Field Accounting System (FAS) replacement project***

178. The new Field Accounting System is to meet the developing business needs and financial management functions of the worldwide network of FAORs and project offices. FAS is planned to be introduced during the first quarter of 2007. Two of the streamlining proposals, relating to improvements in the field authorisation process and local inventory records, will be addressed as part of its implementation.

### ***c) Travel system replacement project***

179. The current travel system is not Internet based, thus cannot be deployed to many of the country offices which are being delegated travel authorities. Such offices currently have to request headquarters or regional offices to process travel on their behalf. During 2007, the Organization intends to develop a new Internet-based travel system which will bring about significant streamlining of transaction processing, including in areas such as the payment and recovery of travel advances and settlement of travel expense claims. Implementation of four of the



streamlining proposals, relating to efficiencies in travel planning and approval and processing of advances and claims, is directly related to the introduction of this system.

180. Two recommendations require further study (processing of budget journals for extrabudgetary projects and the standardisation of finance provisions in trust fund project agreements) while three require adequate funding (document tracking and archiving, Web-based database for LoAs and a database for submissions to Procurement Committee).

### **C. EMERGENCY PROGRAMMES**

181. In March 2006, an Emergency Programme Administrative Task Force was created to review administrative procedures as applied to emergency projects and recommend changes to current procedures where such changes would result in more efficient/effective administrative support to emergency projects.

182. A key objective of the task force was to identify how existing administrative procedures could be amended, without compromising on adequate levels of internal control, to better support the particular needs of emergency projects, e.g. timely actions.

183. Ten proposals relating to procurement, human resource management and cash management were made to provide improved administrative support to emergency projects. Of these, five have been approved / implemented and draft guidelines will be prepared for the others.

### **D. OTHER STREAMLINING AND EFFICIENCY MEASURES**

184. Examples of other improvements include, in the Finance Division (AFF), a two-year project to improve the quality of banking information relating to 15,000 FAO vendors, which has recently been completed. This has led to a dramatic increase in the number of payments made automatically through the banking system obviating manual intervention (straight-through-processing). It has resulted in a reduction in FAO bank charges of over US\$ 80,000 per year. A similar project to improve the quality of payroll banking information, to be completed in 2006, will increase the straight-through-processing rate of payroll-related electronic funds transfer payments, generating further reductions in bank charges.

185. Another improvement concerns significant productivity gain in processing times for invoices and payments which have decreased sharply to a standard turnaround time of two days following the implementation of a series of other streamlining initiatives, throughput analysis, monitoring tools and analytical review.

186. Another project is underway to implement a new banking structure for headquarters to improve efficiency, increase security and further reduce transaction costs for banking services (expected to be fully implemented in 2007). It is anticipated that it will generate cost savings by consolidating transactions through one bank, increasing automation of the banking process and the phasing out of manual payment methods. As part of this initiative, new banking contracts for corporate and retail banking services will be in force with Oracle Financials and Payroll applications supporting the generation of all banking transactions. A similar project to rationalise the banking structure at the regional offices, interrupted in 2004 due to budgetary constraints, will resume later in the biennium if resources can be identified.

187. With regard to decentralized offices, a facility has been provided to FAO Representations and field projects operating FAS, to import data directly into the system, thereby eliminating manual data entry for project imprest returns. Fifteen major projects and 24 of the largest FAO Representations now use this feature and 85% of field transactions are uploaded to Oracle within 36 hours. Furthermore, deployment of the existing FAS has been extended to 17 large project sites, eliminating the need to process project transaction data at the FAOR/ FAO headquarters offices. In addition, the process of exporting data from FAOR Offices to the Oracle system has been automated, eliminating the previous requirement for manual intervention. This has led to significant productivity gains, improved the timeliness of information and provided resource

savings in imprest account management, facilitating a reduction of 75% in general service posts in the Decentralized Accounting Group of the Finance Division, over the past four years.

188. The Organization is also reviewing lump-sum entitlement travel to take account of major developments in the air travel industry and to adjust its lump sum equivalents to achieve more favourable terms for the Organization.

189. Additional proposals continue to be evaluated and implemented such as improvements in managing systems access, de-linking travel advances from travel expense claims, lump-sum education grants, and consultant approval. Furthermore, the Shared Services Centre will be able to capitalise on the streamlining opportunities available from the use of self-service facilities in Oracle systems, and fully exploiting electronic workflow and the introduction of electronic document management.

### **E. JOINT ACTION WITH UN SYSTEM PARTNERS**

190. FAO is also actively cooperating with the UN system through the High-level Committee on Management (HLCM) to achieve simplification and harmonisation of rules and procedures, in particular in the areas of security, information technology, telecommunications, travel, banking, administrative and financial procedures including cost recovery policies. Harmonisation of systems and procedures offers the potential of more cost-effective delivery and FAO is, therefore, fully involved in the Joint Office Initiative, to be piloted in Vietnam.

191. In the area of procurement, FAO is an active member of the Inter-agency Procurement Working Group (IAPWG) which, at the most recent session held in June 2006, discussed issues such as the UN Common Certification scheme, a common UN supplier database (UNGM), vehicle procurement and the role of the IAPWG as a reporting body to the HLCM. Joint action between FAO, IFAD, and WFP relating to the procurement of electricity supply on the liberalised Italian market was finalised in 2005 with signature of a competitive contract. Savings of US\$ 275,000 per year are foreseen from 2006 onwards.

192. The mainframe computer environment was outsourced to the UN International Computing Centre (ICC) in Geneva in mid-January 2004 where resources are now shared with applications from other UN agencies resulting in savings from 2006 of approximately US\$ 60,000 per year.

### **F. INCENTIVE MECHANISMS**

193. As mentioned in planning documents for 2006-07<sup>23</sup>, the Organization wishes to introduce incentive mechanisms across all departments, which will assist in defining and achieving targets for efficiencies and productivity improvements in the order of 1.0% – 1.5% per annum. Managers will require a stable financial environment and well-defined framework with clearly elucidated principles and incentives, to proactively re-examine core business processes, including cross-cutting ones, through re-engineering rather than fine-tuning.

194. In the light of the budget shortfall of US\$ 38.6 million versus ZRG requirements, departments are in the process of critically examining their areas of work to ensure that they are able to deliver their programmes from their allocations. This environment makes it particularly difficult to implement incentive mechanisms which envisage the further holding back of funds, albeit in the short term. Mechanisms identified for possible implementation in 2007 include an:

- Efficiency tax: Withholding 1% of the departments' budgets, but allowing managers the opportunity to earn a part or all of the funds held back, based on sustainable efficiencies achieved; and

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<sup>23</sup> C 2005/3 para. 109 and PC 95/3 and FC 113/14 para. 33

- Innovation fund: Channelling, say, 1% of the Regular Programme budget into a centrally managed fund to finance innovative ways of improving the Organization's efficiency or productivity.

## V. FURTHER PROPOSALS FROM THE DIRECTOR-GENERAL

195. As described in *Section III*, considerable progress has been made since late 2005 to implement progressive changes to the headquarters structure, and to put into effect, as a first step, the decentralized structure approved by the Conference for one region and one subregion. The same *Section III* described the implementation of the Shared Services Centre and proposals for its phased operation, with full regard for streamlining and achievement of savings in administrative costs.

196. In approaching the formulation of further proposals, the Director-General has been mindful of the comments made by the Programme and Finance Committees when they reviewed the Revised PWB 2006-07, the views expressed at the FAO Regional Conferences in the first half of 2006, and the general expectation by the membership for rationalisation and coherence of structural arrangements. In the period leading up to the November 2006 session of the Council, further dialogue with the membership is to be anticipated, including through presentations and seminars, to facilitate the realisation of an informed position, both within the established regional groups and across the membership.

### A. REACTIONS TO COMMENTS OF THE PROGRAMME AND FINANCE COMMITTEES

197. It is recalled that the Committees approved by consensus the programme of work at the 2006-07 budget level, which was articulated at the programme entity level. The current 186 entities are the building blocks for FAO's programme of work - the means of articulating, through results based budgeting principles, the objectives and expected achievement of each entity and thus the substantive priorities of the Organization. Therefore, the thrust of the programme entities already approved by the Programme and Finance Committees is not modified.

198. However, as further explained in *Section V.C*, the proposed abolition of the Office of WFS Follow-up and Alliances (OFA) under Programme 3E: *Alliances and advocacy initiatives against hunger and poverty* and budget reductions under Programme 3J: *Communication and public information* will contribute to substantial savings. These savings would be used *inter alia* for priority areas such as the IPPC and IT-PGRFA, as called for by the Programme Committee.

199. On its part, the Finance Committee has stressed that internal financial controls should not be weakened. Indeed, every internal control system needs ownership and senior management assumes such ownership and is responsible for ensuring that an internal control system is in place to provide assurance regarding the proper functioning of administrative and accounting processes including authorisation of transactions, error prevention and detection, proper recording and reporting of transactions, safeguarding of assets, etc. This is in accordance with the Basic Text whereby the Director-General is required to establish and maintain an effective internal control system.

200. The Director-General recognises the fundamental roles of the Finance Division, the Office of the Inspector-General and the local audit programme in a properly functioning system of internal control, which is essential to ensure a proper framework of delegation and accountability. The reform proposals provide resources to: 1) strengthen administrative support in field locations whereby 24 general service positions have been reclassified since the PWB 2004-05 to national professional positions; 2) re-instating nearly US\$ 1 million per biennium for the local audit programme; and 3) providing a further US\$ 340,000 since the Revised PWB 2006-07 to the Office of the Inspector-General and US\$ 1.1 million to bolster further internal control mechanisms in the Finance Division.

201. The allocations at programme entity level are shown in *Annex 5*.

## **B. REACTIONS TO VIEWS EXPRESSED AT THE REGIONAL CONFERENCES**

202. In the first half of 2006, consultations took place about further reform proposals through the scheduled sessions of the FAO Regional Conferences, on the basis of a document circulated to all Regional Conferences. Discussions have also taken place with Regional Groups and individually with Members.

203. While satisfaction for the ongoing first phase of reforms in the region was expressed by the Regional Conference for Africa, the Regional Conferences for Latin America and the Caribbean and for the Near East confirmed the strong interest within respective geographical areas for a strengthened field office presence of the Organization.

204. In heeding this guidance, the proposed actions are described below.

### *New Subregional Office for Central America*

205. A new SRO, with attendant MDT, would be established to meet the requirements of Central American countries, in a location to be determined in consultation with them. There have been expectations of long standing within the Central American subregion to be able to benefit from a more robust FAO presence, mirroring arrangements for the Caribbean subregion which have been in place since the mid-90's (through the subregional office in Barbados).

206. The economies of these countries are generally very dependent on agriculture and trade of agricultural commodities and they still face significant levels of poverty in rural areas, requiring considerable policy and technical assistance as well as access to information and best practices. Regrettably, like their neighbours in the Caribbean they are often also affected by natural disasters, compounding difficulties of meeting goals of rapid development and poverty alleviation. The distance to the seat of the regional office entail a high cost for undertaking country missions by regional staff, hence the presence of an MDT in the subregion would greatly facilitate access to expertise from the Organization.

### *New Subregional Office for the Gulf Countries*

207. A new SRO would be established to cover the countries members of the Gulf Cooperation Council (GCC). There has been strong interest for such an enhanced FAO presence within the subregion, and there are indications that very favourable conditions could be negotiated in terms of meeting both one-time and running costs related to this office.

208. It may be observed that the combination of: this new SRO, the existing SRO in Tunis covering North African countries and an MDT co-located with the FAO Regional Office in Cairo to address the demands of other countries in the region, would put the Near East Region virtually on a par with the structure already approved as part of the first phase and being introduced in the Africa Region. The resulting strengthened FAO presence in this region would also facilitate resource mobilization efforts (including for assistance among the countries themselves) and cooperation with a wide range of regional institutions active in areas of FAO's mandate.

### *Reorganisation of existing regional offices*

209. Rearrangement of the staffing in Santiago, Bangkok and Cairo would be made. In effect, as regards the remainder of countries in the Latin American and Caribbean region, partly due to budgetary considerations, the Andean subregion and countries collaborating within MERCOSUR, would be served by an enlarged MDT, to be located within the Regional Office in Santiago. This MDT would provide the same type of services to those countries in the region not covered by the SRO in Barbados and the proposed new one in Central America. This would also allow to make use of the existing infrastructure in Santiago and minimise impact on staff. In the Regional Office in Cairo, an MDT would cover countries in the oriental Near East subregion in a similar way.

210. In like vein, while the original concept of an SRO covering countries in the South Asia subregion with a population of some 1.5 billion people has merit, some reactions at the Regional Conference and preliminary contacts indicate that the proposal would be premature at this juncture. The existing SRO located in Apia, Samoa would of course continue to operate for the benefit of countries in the South Pacific area. Hence, in the same way as envisaged in Santiago, an MDT in Bangkok would be put in place, covering the countries collaborating with ASEAN and SAARC, pending progress in eventual agreements among the concerned countries to contemplate the possibility of additional SROs in the region.

### **C. RATIONALISATION AND GREATER COHERENCE OF STRUCTURAL ARRANGEMENTS**

211. The proposed headquarters structure seeks to ensure that the right mix of expertise is placed in functional groups which can contribute to the achievement of corporate objectives and the provision of required services, bringing together staff working on common or closely related problems.

212. The main focus of further reforms is therefore to improve the internal organizational mechanisms for delivering the work of the Organization. Further programme and organizational adjustment may be expected following eventual decisions at the UN or as a result of guidance from the FAO Conference on the IEE's findings regarding the longer term orientations of the Organization.

213. The structure in place since the beginning of 2006 needs to be adjusted in part so as to have a better balance among departments and to enhance synergies. Following the decision of the Conference on the progressive implementation of reforms and the approval of the revised PWB 2006-07, the following *Table 7* illustrates the disparity between current departments, in terms of relative regular programme staffing establishment:

**Table 7. Revised PWB 2006-07 - staffing of headquarters departments**

	Director and above	Professional	Total International staff	National Professional Officer	General service	Total
AG	19	136	155	0	86	241
FI	10	64	74	0	54	128
FO	10	36	46	0	29	75
SD	9	57	66	0	37	103
ES	13	78	91	0	72	163
TC	19	119	138	0	92	230
GI	6	103	109	0	109	218
AF	15	138	153	4	323	480

N.B. The counts above include outposted professional posts: 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers (GI) and 4 NPOs (AF).

214. Moreover, the headquarters structure does not as yet fully accord with the significant new dimensions inherent in the ongoing reform process and inbuilt in the approved programme of work for 2006-07, as were summarised in *Section II* above, in particular the enhanced role of FAO as a knowledge organization. It does not as yet fully support holistic approaches to such major policy aspects as the management and conservation of natural resources and ensuring social benefits commensurate with economic gains.

215. In line with the directives of the Conference, the headquarters organizational structure, as proposed to be implemented in early 2007 subject to the agreement of the Council, and shown in the organizational chart in *Annex 4*, maintains a total of eight departments as at present.

216. The major changes can be summarily portrayed as:

- a) the establishment of a new department of Natural Resources Management and Environment (NR), which can in part be seen as a successor to the previous Sustainable Development Department (SD);
- b) an Economic and Social Development Department (ES) the responsibilities of which would be more genuinely reflective of its title (including a combined division dealing with gender, communication for development and rural employment aspects) since ES was hitherto focused primarily on the economic side of agricultural development and would henceforth cover key social aspects as well;
- c) an AG department which would more closely embody the “farm to table” approach, including retaining work on agro-industries and rural infrastructure within the department, based on views from many Members that these areas form an integral part of the “farm to table” approach; and
- d) the transformation of the General Affairs and Information Department (GI) into a new Knowledge and Communication Department (KC), including transfer of some activities from the Office of WFS Follow-up and Alliances (OFA).

217. More details on proposed changes for all departments and other units are provided as follows.

#### *Agriculture and Consumer Protection Department (AG)*

218. The AG department would no longer include the previous Land and Water Division (AGL) which is to be transferred in most part to the new NR department, since the latter department is to deal in an integrated manner with the management of natural resources. However, the AGP division would retain activities on soil management and fertilizers hitherto carried out by AGL. Following the views expressed by many Members, agro-industries and rural infrastructure are retained within the department so as to fully embody the “farm to table” approach.

219. Although different arrangements have been contemplated since the reform process was initiated, the AGA and AGP divisions would basically keep to their present structure and mandates. However, it is proposed to establish a Crisis Management Centre (CMC) to be located in the office of the ADG of the AG department to address transboundary pests and diseases of animals and plants, but also food safety crises in a comprehensive manner. The Crisis Management Centre now coping with FAO’s response to the Avian Influenza could serve as an initial building block. Ultimately, this new mechanism will build on inter-departmental synergies and the achievements of the EMPRES programme and would provide a clearing house for country support, coming either through bilateral and multilateral channels.

220. The CMC would allow FAO to be better prepared for, and respond more quickly to potential crises affecting the entire food chain – i.e. including transboundary pests and diseases of animals and plants and food safety crises. It would develop and regularly update contingency plans, logistic arrangements and operational programmes and would also seek to strengthen data analysis and information services. In periods of crisis, it would draw on staff of the TCE division and the relevant units of AGA, AGP and AGN. The CMC would match trends in structures established by country authorities at national level and operate within agreed global cooperation frameworks with partner organizations such as the OIE and WHO.

221. Thus, AG would comprise AGA, AGP, AGN and AGS divisions dealing respectively with livestock, crops, nutrition and consumer protection, and agro-industries and rural infrastructure. As heretofore, the Joint FAO/IAEA Division in Vienna (AGE) will continue to be organizationally a part of this department. In terms of key external UN partners besides the IAEA,

it may be noted in particular that AGN will ensure continued closed cooperation with WHO (Codex), and AGS with UNIDO (agro-industries).

*Natural Resources Management and Environment Department (NR)*

222. As mentioned above, the new NR department would house in the first instance a Land and Water Division (NRL), evolved in the most part from the previous AGL division. This is to give full effect to the department's expected overall responsibility for handling the natural resource base, on which agriculture, forestry and fisheries depend. The same NRL division would also absorb the staff in the former SDA division dealing with land tenure, hence contributing to enhanced synergy.

223. The NR department will also cover other key dimensions of environmental management and sustainable development. Hence, NR would also house divisions for: Environment, Climate Change and Bioenergy (NRC); and Research and Extension (NRR). In all these areas, FAO needs not only to pursue its own global activities and catalytic role, but also ensure close links with a wide range of partners in the public and private sectors and promote the investment needed for sustainable development. Other cross-cutting issues to be addressed relate to the economics of natural resources. The NR department would also host the Secretariat of the Commission on Genetic Resources for Food and Agriculture (CGRFA).

224. Among the various moves involved in the establishment of the NR department are: the integration of the Secretariat of the Science Council of the CGIAR into the new NRR division, as well as staff dealing with education and communication (formally placed respectively in the office of the ADG, SD and in the SDR division); and the placement of staff from the ex-SDA in the NRC division who contribute in a substantial manner to follow up to several Chapters of Agenda 21, including Sustainable Agriculture and Rural Development (SARD, Chapter 14) and Mountains (Chapter 13), and more broadly dealing with natural resource management with emphasis on their institutional and governance aspects and their interface with sustainable livelihoods.

225. In this light, the NR department should be able to reinforce the Organization's work on:

- follow up to, and coordination of the post-Rio environmental agreements;
- climate change, including both agriculture's contribution to climate change processes and their impacts on farming, as well as bioenergy and the application of the ecosystem approach;
- sustainable natural resources management, with particular reference to the role of water for secure and productive systems, soil degradation and desertification, land-tenure issues and mountain development, and their interaction with crops, livestock, forestry and aquaculture production;
- research and extension, including issues relating to promotion of the international research systems and strengthening national agricultural research and other related institutional arrangements, with a view to ensuring effective technology transfer to the farmers and other end users.

*Economic and Social Development Department (ES)*

226. It is recalled that the Economic and Social Development Department already comprised the Trade and Markets Division – EST (improved name from the previous: “Commodities and Trade”), the Agricultural Development Economics Division (ESA) and the Statistics Division (ESS). As such, it is responsible for implementation of important programmes under Chapter 3 of the PWB, making also major contributions to enhanced knowledge generation. Its policy related work includes 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). However, it did not really

cover the major social dimensions of development and could not therefore address both dimensions in a holistic manner.

227. Therefore, a division addressing Gender, Equity and Rural Employment (ESW) would consolidate work carried out on these key issues in the Organization. As its title indicates, this division would focus on gender, social equity, and rural employment issues and how these impact on agriculture, rural livelihoods and food security. The division would have units dealing with gender in development and gender mainstreaming, the impact of human disease and population dynamics, and the equity dimensions of rural institutions and employment. It is stressed again that the major advantage of this expansion would be to reinforce the department's capacity to deal, in an integrated fashion, with the social as well as economic aspects of development, also bringing together, through networks and partnerships, in-house expertise with that of centres of excellence elsewhere. Besides of course absorbing the staff of the previous SDW division, ESW would include officers hitherto placed in SDA dealing with rural employment functions, people's participation and the social and employment dimensions of SARD in the context of multistakeholder partnerships.

228. Moreover, the ES department would take over catalytical work on alliances from the former OFA, contributing to enhanced synergy. A small unit would deal with the IAAH (international alliance against hunger) in the office of the ADG, ES implying therefore that a director would no longer be dedicated to this task on a full time basis.

229. It may be noted that the existing Global Perspective Studies unit (ESDG) hitherto placed in the office of the ADG, ES (and responsible for such key studies as those of the *AT 20xx* type) would be integrated with the ESA division. Coordination work on FIVIMS and the right to food (also hitherto in the office of the ADG) would be also covered by the ESA division, a move which would not only reduce the number of units reporting to the ADG but bring more balance among the divisions of the department. The Global Information and Early Warning System (GIEWS) would continue to pertain in organizational terms to the EST division.

#### *Knowledge and Communication Department (KC)*

230. The enhanced focus of the entire programme of work of the Organization on knowledge exchange and capacity-building, requires the consolidation of functions previously placed in various units across the Organization, into a new Knowledge and Communication Department (KC). This would ensure that FAO adopts a more proactive approach to creating and sharing knowledge and best practices, both within the Organization and with Members and other centres. Whilst specialised activities would continue to be undertaken under the relevant programmes, KC would address planning, coordinating and facilitating this broad effort, as well as monitoring, reviewing and evaluating results. This should lead to greater opportunities for, and coherence in, sharing experience, developing methodologies, and standardizing information systems, thus also supporting national capabilities.

231. KC would comprise four divisions. The Knowledge Exchange and Capacity-Building division (KCE) will be responsible for categorizing and synthesizing FAO knowledge to make it more readily accessible. It will also promote and support capacity-building programmes and other programmes to aid national institutions in responding to the demands of their constituents. KCE will provide support to the World Agricultural Information Centre (WAICENT) as the major instrument in FAO for fostering knowledge exchange and capacity-building in the handling of information, including extension of the WAICENT corporate model components to national levels. A key task would be to provide 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. The division would also handle the established range of library services and it would be evolved essentially from the present GIL division.



232. The Information Technology division (KCT) would provide comprehensive Organization-wide services, from concept to development and ongoing support, for information systems that capture FAO knowledge and best practices and make them available to others. The division would also be responsible for supporting the information technology and communications infrastructure that connects FAO subject experts with counterparts in countries across the world. KCT would stem from the present Information Systems and Technology Division in AF, supplemented with information technology staff at regional and subregional offices, and incorporate a phased integration of information technology staff from headquarters departments to provide immediate support for information systems concepts and planning and to ensure effective and integrated systems development and support activities across the Organization.

233. The Communication Division (KCI) will continue the activities of the present Information Division (GII), and also assume responsibility for liaison with national Committees and for WFD special events and Telefood carried out by OFA. Some of the savings are generated under Programme 3J through reduced resource allocations for the work of media relations officers. The Conference and Council Affairs division (KCC) draws on the ex-GIC and will continue *inter alia* to ensure the effective functioning of the Conference, Council and other governing bodies.

#### *Other headquarters departments and ODG units*

234. The Departments covering the forestry (FO) and fisheries (FI) sectors would undergo some restructuring in order to address more coherently the modified programmes they are responsible for under Chapter 2 of the PWB. The new name of the FI department: i.e. Fisheries and Aquaculture would better reflect the significantly increased priority to be given to aquaculture under these programmes.

235. The Technical Cooperation Department (TC) would remain substantially unchanged, comprising four divisions covering the Investment Centre, Policy Assistance and Resource Mobilization, Field Operations (which also manages the Technical Cooperation Programme) and Emergency Operations and Rehabilitation. Top priority will continue to be given to leveraging resources for, and investment in the rural sector in countries.

236. The Administration and Finance department (AF) would be renamed department of Human, Financial and Physical Resources, with divisions dealing with Finance, Human Resources Management and Administrative Services, while it is recalled that its IT responsibilities would be transferred to the new KC Department. In addition to the Shared Services Centre and the Security Service, both authorised by the Conference, the department will continue to house the Medical Service.

237. Among the ODG units, as mentioned above, the Office of WFS follow up and Alliances – OFA – would be abolished and its major responsibilities transferred elsewhere, i.e. primarily under the KC and ES departments. By the same token, this would contribute to substantial savings under Programmes 3 E and 3J, thereby meeting expectations expressed by the Programme and Finance Committees when they reviewed the revised PWB 2006-07. The guidance from the last Conference of consolidation of various advocacy activities would be reflected by the proposed structure of the KC department.

238. The small group entitled SAD (Special Adviser to the Director-General) would be replaced by the “Office of UN coordination and MDG follow up” - UNC. SAD already included a unit in charge of coordinating FAO’s interface with the UN system, but this function needs to be given higher visibility and priority. One important advantage of this is certainly *vis-à-vis* other UN Agencies and Programmes which would be able to relate more directly to an identifiable unit when discussing overall coordination issues.

239. It may be noted that UNC is also to handle the MDG Committee being established by the Director-General. This high level Committee of experts is to assist the Organization in responding

to the commitment by the Chief Executives Board of the United Nations system (CEB) to tackle collectively and more effectively the challenge of achieving MDGs by 2015. The Committee's main role would be to advise the Director-General on FAO's programmes and projects that help countries meet the MDGs, with particular focus on MDG1 on hunger and poverty and MDG7 on the sustainable use of natural resources. UNC would henceforth become the main policy entry point in relation to implementation of the MDGs, while substantive contributions would of course continue to be addressed by all concerned units. The fact that an ADG would be leading overall efforts of implementation of the MDGs would undoubtedly be well received in UN circles.

240. The establishment for the proposed eight headquarters departments is shown in the following *Table 8*.

**Table 8. Staffing of restructured headquarters departments**

Headquarters departments	Director and above	Professional	Total International staff	National Professional Officer	General service	Total
AG	16	122	138	-	76	214
FI	10	64	74	-	54	128
FO	10	35	45	-	29	74
NR	10	56	66	-	42	108
ES	15	88	103	-	78	181
TC	19	109	128	-	90	218
KC	9	160	169	4	153	326
AF	12	84	96	-	218	314

N.B The above counts include outposted professional posts: 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers and 4 NPOs (KC).

241. The preceding *Table 8*, if compared to similar information provided in *Table 7* (for the present structure) conveys a better balance in numerical terms. The following *Table 9* captures information from both tables (while combining figures for professional posts of all grades and status in a single figure for the sake of simplicity) for the headquarters departments under the current and proposed new structures. As the new structure is the result of a different combination of units, care is needed in interpreting the data. However, the disparity between departments in terms of relative regular programme staffing establishment, is narrowed.

**Table 9. Headquarters departments - professional staff**

Departments (current)		Departments (proposed)	
AG	155	AG	138
FI	74	FI	74
FO	46	FO	45
SD	66	NR	66
ES	91	ES	103
TC	138	TC	128
GI	109	KC	173
AF	157	AF	96
<b>Total</b>	<b>836</b>	<b>Total</b>	<b>823</b>

Headquarters counts include outposted professional posts: 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers (GI/KC) and 4 NPOs (AF/KC)

242. The following *Table 10* includes also the professional staff in decentralized locations associated with their respective headquarters departments. It demonstrates that, at the overall level (i.e. irrespective of location) there is not only maintenance of, but increase in technical capacities from the current to the proposed structures. This occurs also at a more specific level and shows directly from the figures in the table when straight comparison is possible, e.g. for the fisheries and forestry fields of expertise.

**Table 10. Headquarters departments - professional staff in all locations**

	Revised PWB 2006-07			Department	Restructured departments		
	Headquarters	Decentralized offices	Total		Headquarters	Decentralized offices	Total
AG	155	59	214	AG	138	66	204
FI	74	13	87	FI	74	20	94
FO	46	17	63	FO	45	21	66
SD	66	7	73	NR	66	-	66
ES	91	9	100	ES	103	14	117
TC	138	37	175	TC	128	38	166
GI	109	10	119	KC	173	10	183
AF	157	-	157	AF	96	8	104
<b>Total</b>	<b>836</b>	<b>152</b>	<b>988</b>	<b>Total</b>	<b>823</b>	<b>177</b>	<b>1,000</b>

Headquarters counts include outposted professional posts: 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers (GI/KC) and 4 NPOs (AF/KC).

#### *European Region and Central Asia*

243. The same objective of seeking greater coherence and improving mechanisms for delivery of FAO services leads to the proposal to transfer the regional office for Europe (REU), to be renamed Regional Office for Europe and Central Asia, from Rome to Budapest. This would affect nine positions at professional/director level and six general service posts. Budapest is already the seat for an SRO serving Central and Eastern European countries. The latter would have an MDT responding to the demands of the same countries, co-located with the regional office, mirroring

arrangements in other regions. The newly established SRO for Central Asia which is part of the first phase, would complete the picture for this group of offices.

244. This formula can capitalise on an obvious potential for synergies among the two groups of technical staff which would operate in Budapest – which it is recalled are to serve *inter alia* the many countries in the region which share the problems faced by “transition economies”, as well as those of a sub-group of countries which are either new Members of the European Union or have aspirations to join it.

245. The proposal takes account also of very favourable conditions which could be offered by the Government of Hungary in being host to larger FAO office facilities, bearing in mind also the envisaged location of a hub of the SSC in Budapest (cf. preceding *Section III*). In fact, in the event of a transfer of the FAO Regional Office to Budapest, it is hoped that all necessary inputs to ensure a successful transfer and the optimal functioning of both the Regional Office and Subregional Office for Central and Eastern Europe would be covered by the Government. These include all renovation works and office equipment to ensure that the facilities offered can host significant numbers of staff members, according to FAO specifications; the cost of transferring the staff of the Regional Office for Europe and their families, on the basis of FAO standard rules and procedures; the cost of maintenance and repairs, cleaning, gardening and heating of the building; and the incremental costs for utilities resulting from the increased number of staff.

246. In addition, since the decision of the Russian Federation to take up membership in the Organization in the early part of 2006, active contacts are under way with this country to establish a liaison office in Moscow. The budgetary estimates in this document take account of this office.

247. It is foreseen that, subject to the approval of the Council in November 2006, the implementation of the proposals presented in this document would be carried out as follows: changes to the headquarters structure to be put in place from 1 January 2007; the subregional offices and the newly located REU, to be during 2007, depending on negotiations with the host countries; and implementation of the SSC in phases, as described in the pertinent section.

#### **D. OVERVIEW OF DECENTRALIZED OFFICES**

248. The original proposals submitted to the Conference contemplated the establishment of a total of 16 SROs staffed with MDTs and headed by a subregional coordinator, with each subregional office being part of one of FAO’s five regional offices (cf. more detailed explanations on the division of responsibilities among the various layers under the new operating model for decentralized locations in *Annex 3*).

249. As a matter of course, the configuration took account of the eventual transformation of the pre-existing five subregional offices, and the likelihood of several MDTs being co-located with one of the five FAO regional offices, in order to maximise synergies and minimise transition costs and eventual impact on staff. The proposal was part of the Director-General’s response to the recommendations of the external evaluation of decentralization concluded in 2004. Another important dimension was the potential of this expanded network at subregional level to facilitate cooperation and dovetailing of initiatives with Regional Economic Integration Organizations (REIOs) which were increasingly active in areas of FAO’s mandate. While no definitive proposals were made as to locations, the regional and subregional offices were envisaged to be possibly distributed across 17 distinct locations.

250. In the light of the first phase approved by the Conference and the further proposals in this document, it may be useful to provide a comparative *Table 11*, summarising the various configurations on the regional and subregional structures.

**Table 11. Overview of regional and subregional structures**

	Regional (including co-located multidisciplinary team)	Subregional in other locations
PWB 2004-05	5	5
Original reform proposals to last Conference	5*	12
Decentralization approved by the Conference as a first phase	5	8
Proposals in present document	5**	9
* Locations were not specified in the original reform proposals, but it was assumed that 4 SROs would be co-located with existing ROs		
** Including transfer of REU to Budapest, and thus co-location with SEU		

251. The following *Table 12* provides an overview of professional post distribution by regional area (taking account of the contributions of FAORs as part of the MDTs for up to 30% of their time in terms of post equivalent).

**Table 12. Overview of regional and subregional structures**

	PWB 2004-05	PWB 2006-07 Further Proposals	Change resulting from SSC implementation	Other Incremental Change	Total Change
<b>Africa</b>					
Regional	42	21	(1)	(20)	(21)
Subregional/MDT	21	45		24	24
FAOR (as MDT post equivalent)		11		11	11
<i>Total Africa</i>	<i>63</i>	<i>77</i>	<i>(1)</i>	<i>15</i>	<i>14</i>
<b>Asia/Pacific</b>					
Regional	44	23		(21)	(21)
Subregional/MDT	8	26		18	18
FAOR (as MDT post equivalent)		4		4	4
<i>Total Asia Pacific</i>	<i>52</i>	<i>53</i>	<i>0</i>	<i>1</i>	<i>1</i>
<b>Europe and Central Asia</b>					
Regional	10	9		(1)	(1)
Subregional/MDT	9	30	8	13	21
FAOR (as MDT post equivalent)		0		0	0
<i>Total Europe</i>	<i>19</i>	<i>39</i>	<i>8</i>	<i>12</i>	<i>20</i>

	PWB 2004-05	PWB 2006-07 Further Proposals	Change resulting from SSC implementation	Other Incremental Change	Total Change
<b>Latin America/Caribbean</b>					
Regional	33	20		(13)	(13)
Subregional/MDT	11	32		21	21
FAOR (as MDT post equivalent)		5		5	5
<i>Total Latin America/Caribbean</i>	<i>44</i>	<i>57</i>	<i>0</i>	<i>13</i>	<i>13</i>
<b>Near East</b>					
Regional	29	17	(1)	(11)	(12)
Subregional/MDT	7	27		20	20
FAOR (as MDT post equivalent)		2		2	2
<i>Total Near East</i>	<i>36</i>	<i>46</i>	<i>(1)</i>	<i>11</i>	<i>10</i>

### *Establishment of the pertinent MDTs*

252. As for the first phase, in order for the membership to appreciate the budgetary impact of this second phase of restructuring measures in decentralised locations, a general pattern in the mix of technical disciplines in the attendant MDTs has been foreseen (with varying levels of staffing), which would be supplemented by local staff to be provided by the host countries. Should this second phase be endorsed by the Council, the profile of staff positions in the subregional teams would be refined, after due consultations with the concerned headquarters departments. It is recalled that all MDTs would have expanded provisions for non-staff human resources, hence enjoy flexibility in meeting demands in the respective geographical areas beyond the available expertise within the teams.

## **VI. PROGRAMME AND BUDGET IMPLICATIONS**

### **A. RESULTING ALLOCATIONS AND IMPACT AT CHAPTER AND PROGRAMME LEVELS**

253. It is recalled that the Revised PWB 2006-07, approved by the Programme and Finance Committees in May 2006, presented a biennial programme of work reflecting the reforms already approved by the Conference and adjusted to the budget level of US\$ 765.7 million. The net allocations by chapter resulting from the further reform proposals set out in this document, as compared to the Revised PWB 2006-07, are shown in the following *Table 13*.

**Table 13. Appropriation by chapter**

	Revised PWB 2006-07	Resulting from further proposals	Change
1: Corporate Governance	18,109	18,109	-
2: Sustainable Food and Agricultural Systems	209,583	225,509	15,926
3: Knowledge Exchange, Policy and Advocacy	189,137	188,079	(1,058)
4: Decentralization, UN Cooperation and Programme Delivery	212,679	202,122	(10,557)
5: Management and Supervision Services	110,425	106,115	(4,311)
6: Contingencies	600	600	-
8: Capital Expenditure	4,724	4,724	-
9: Security Expenditure	20,444	20,444	-
<b>Total</b>	<b>765,700</b>	<b>765,700</b>	<b>-</b>

254. The significant increase in resources under Chapter 2 is a result of the expansion of the new decentralized model to all regions:

- Although the staffing of the multi-disciplinary teams in the subregional offices and the technical groups in the regional offices is largely derived by the redistribution of existing technical resources (from headquarters or between decentralized locations), non-staff resources in these offices are significantly increased under Chapter 2 (by US\$ 8.3 million) to ensure sufficient resources for flexible implementation of the programmes and the capacity to deliver the services required by Members, in line with the principles outlined in the original reform documentation submitted to the Conference.
- The participation of FAO Representatives in the work of the respective subregional Multidisciplinary Teams in their areas of specialisation for up to 30 percent of their time leads to a shift of US\$ 3.7 million from Chapter 4 to Chapter 2.

255. Another factor contributing to the increase in Chapter 2 (and reductions in Chapter 3) is in direct response to the Programme Committee's guidance, whereby US\$ 1 million is reallocated from Programme 3J to two areas accorded high priority by Members: the Secretariat of the International Treaty on PGRFA (PE 2AP03) and IPPC (PE 2CP01).

256. Consequently, Chapter 3 entails a more focused distribution of resources and re-allocation to high priority areas. In this regard, it is recalled that the Programme Committee, at its May 2006 session, recommended that the Director-General identify possible savings from amongst the programmes, including, but not limited to, 3E and 3J. Savings are achieved in Programme 3E through the elimination of OFA and the redistribution of its activities to ES, GII and ODG. The resources are also redirected to meet the cost of a new Liaison Office for Russia under Programme 3E. The savings in Programme 3J, redirected to Chapter 2, are achieved mainly by reducing the level of non-staff resources dedicated to communications and public information. Further reductions arise in Chapter 3 due to the downsizing of Policy Assistance branches in decentralised locations (5 posts overall). Decentralized offices now have generally only one or two Policy Officers, while previously regional offices had from three to five such officers and subregional offices from one to three.

257. Part of the decrease in Chapter 4 is due to the re-allocation of FAOR staff time to Chapter 2, referred to above. Another factor contributing to the decrease is the streamlining of the Operations Branches under this chapter.

258. The appropriation for Programme 4E: *Technical Cooperation Programme* remains at the Conference-mandated level of US\$ 103,550,000. Through reorganisation of the TCP Unit, one post has been abolished and the savings of US\$ 348,000 redirected to TCP projects.

259. A number of actions have taken place which affect Chapter 5, and result in an overall net decrease. As outlined in more detail in *Section III*, the proposal for the SSC results in significant savings under this chapter, particularly under Programmes 5C: *Financial Services*, 5E: *Procurement*, and 5H: *Shared Services*. The establishment of Administrative Units in each subregional office resulted in increased costs under 5F: *Management of Premises* and 5H: *Shared Services* offset some of the savings resulting from the implementation of the SSC under Programme 5H.

260. Income has increased by 13% compared with the Revised PWB due to: i) anticipated higher reimbursements for support costs from emergency and “normative projects”, under Chapters 2, 3 4 and 5; and ii) host country contributions for the new subregional offices, mainly under Chapter 5. A more detailed view at the chapter and programme level, including programme of work is shown in the following table.



Table 14. Regular Programme resource allocations by chapter and programme

Programme and Chapter	Description	2006-07 Revised		Programme Change		2006-07 Further Proposals		
		Programme of Work	Less: Income	Programme of Work	Less: Income	Programme of Work	Less: Income	Appropriation
1A	Governing bodies	7,794	0	7,794	0	7,795	0	7,795
1B	General direction	9,814	214	9,600	0	9,814	214	09,60
1X	Programme Management	714	0	714	0	714	0	4 71
<b>1</b>	<b>Corporate Governance</b>	<b>18,323</b>	<b>214</b>	<b>18,109</b>	<b>0</b>	<b>18,323</b>	<b>214</b>	<b>18,109</b>
2A	Crop production systems management	20,164	323	19,841	1,618	21,782	263	21,519
2B	Livestock production systems management	8,498	433	8,065	1,228	9,726	465	9,261
2C	Diseases and pests of animals and plants	23,870	423	23,447	3,896	27,766	442	27,324
2D	Nutrition and consumer protection	23,695	1,428	22,267	788	24,484	1,414	23,070
2E	Forestry information, statistics, economics, and policy	11,277	253	11,024	383	11,660	350	11,310
2F	Forest management, conservation and rehabilitation	8,233	82	8,151	2,291	10,523	50	10,473
2G	Forest products and industry	8,899	176	8,723	692	9,591	461	9,130
2H	Fisheries and aquaculture information, statistics, economics, and policy	17,857	623	17,234	2,757	20,614	951	19,663
2I	Fisheries and aquaculture management and conservation	12,912	482	12,430	1,462	14,374	534	13,840
2J	Fisheries and aquaculture products and industry	9,248	880	8,368	364	9,612	880	8,732
2K	Sustainable natural resources management	28,808	989	27,819	2,478	31,285	953	30,332
2L	Technology, research and extension	10,012	4,044	5,968	(326)	9,686	4,091	5,595

Programme and Chapter	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
2M	Rural infrastructure and agro-industries	15,721	317	15,404	(290)	(8)	(282)	15,430	309	15,121
2X	Programme Management	21,003	160	20,843	(528)	176	(704)	20,474	336	20,138
<b>2</b>	<b>Sustainable Food and Agricultural Systems</b>	<b>220,196</b>	<b>10,613</b>	<b>209,583</b>	<b>16,812</b>	<b>886</b>	<b>15,926</b>	<b>237,008</b>	<b>11,499</b>	<b>225,509</b>
3A	Leveraging resources and investment	50,829	26,553	24,276	782	256	526	51,612	26,810	24,802
3B	Food and agriculture policy	30,295	1,416	28,879	(555)	93	(648)	29,739	1,509	28,230
3C	Trade and marketing	11,899	322	11,577	(358)	16	(374)	11,541	338	11,203
3D	Agriculture information and statistics	10,719	136	10,583	232	59	173	10,951	195	10,756
3E	Alliances and advocacy initiatives against hunger and poverty	12,588	941	11,647	257	0	257	12,845	941	11,904
3F	Gender and equity in rural societies	9,400	528	8,872	159	(38)	197	9,559	490	9,069
3G	Rural livelihoods	4,119	137	3,982	(200)	0	(200)	3,919	137	3,782
3H	Knowledge exchange and capacity building	22,251	58	22,193	278	0	278	22,529	58	22,471
3I	Information technology systems	28,952	0	28,952	955	0	955	29,907	0	29,907
3J	Communication and public information	18,069	0	18,069	(1,152)	0	(1,152)	16,917	0	16,917
3X	Programme Management	20,312	204	20,108	(1,071)	0	(1,071)	19,241	204	19,037
<b>3</b>	<b>Knowledge Exchange, Policy and Advocacy</b>	<b>219,433</b>	<b>30,296</b>	<b>189,137</b>	<b>(672)</b>	<b>386</b>	<b>(1,058)</b>	<b>218,761</b>	<b>30,682</b>	<b>188,079</b>
4A	UN cooperation, integration and monitoring	13,912	1,048	12,864	(224)	175	(399)	13,688	1,223	12,465
4B	Coordination of decentralized services	20,306	0	20,306	(154)	4	(158)	20,152	4	20,148

Programme and Chapter	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
4C	Food security, poverty reduction and other development cooperation programmes	86,092	22,933	63,159	(1,585)	4,349	(5,933)	84,507	27,281	57,226
4D	Emergency and post crisis management	15,838	14,875	963	0	0	0	15,838	14,875	963
4E	Technical Cooperation Programme	103,550	0	103,550	0	0	0	103,550	0	103,550
4X	Programme Management	13,898	2,061	11,837	(3,291)	776	(4,067)	10,607	2,837	7,770
<b>4</b>	<b>Decentralization, UN Cooperation and Programme Delivery</b>	<b>253,596</b>	<b>40,917</b>	<b>212,679</b>	<b>(5,253)</b>	<b>5,304</b>	<b>(10,557)</b>	<b>248,342</b>	<b>46,221</b>	<b>202,122</b>
5A	Oversight	11,260	454	10,806	377	64	313	11,637	518	11,119
5B	Programme and budget services	7,013	822	6,191	0	108	(108)	7,013	931	6,082
5C	Financial services	17,880	6,896	10,984	1,065	1,448	(382)	18,945	8,344	10,601
5D	Human resources management and staff welfare	16,812	2,426	14,386	(390)	169	(559)	16,421	2,595	13,827
5E	Procurement	8,901	3,240	5,660	(955)	417	(1,371)	7,946	3,657	4,289
5F	Management of premises	33,454	1,159	32,296	5,301	4,436	865	38,756	5,594	33,161
5G	Meetings and language services and protocol	7,882	126	7,756	0	0	0	7,882	126	7,756
5H	Shared services	19,641	5,119	14,522	(1,890)	1,245	(3,136)	17,751	6,364	11,386
5X	Programme Management	7,865	40	7,825	68	0	68	7,933	40	7,893
<b>5</b>	<b>Management and Supervision Services</b>	<b>130,708</b>	<b>20,282</b>	<b>110,425</b>	<b>3,577</b>	<b>7,887</b>	<b>(4,311)</b>	<b>134,284</b>	<b>28,169</b>	<b>106,115</b>
<b>6</b>	<b>Contingencies</b>	<b>600</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>600</b>
<b>8</b>	<b>Capital Expenditure</b>	<b>13,575</b>	<b>8,851</b>	<b>4,724</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,575</b>	<b>8,851</b>	<b>4,724</b>

Programme and Chapter	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
9A	Headquarters security	7,989	0	7,989	0	0	0	7,989	0	7,989
9B	Field security	12,455	0	12,455	0	0	0	12,455	0	12,455
<b>9</b>	<b>Security Expenditure</b>	<b>20,444</b>	<b>0</b>	<b>20,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,444</b>	<b>0</b>	<b>20,444</b>
<b>Total</b>		<b>876,873</b>	<b>111,173</b>	<b>765,700</b>	<b>14,463</b>	<b>14,463</b>	<b>0</b>	<b>891,337</b>	<b>125,636</b>	<b>765,700</b>

261. *Annex 5* presents a further breakdown of resources down to the programme entity level.

262. In reviewing the Revised PWB 2006-07, the Programme Committee also expressed concern that the priorities both: i) identified in Table 11, and ii) stated as being under-funded in the second sentence of paragraph 123 (i.e. support to the IPPC, plant and animal genetic resources, food safety, agricultural water management, GIEWS and support to implementation of the Code of Conduct for Responsible Fisheries), as well as the corporate statistical database FAOSTAT, might not be funded at the level necessary to ensure full implementation of expected outcomes. *Annex 5* demonstrates that the Organization has fully protected these high priority areas in presenting the further reform proposals, and, indeed, in several cases has increased resource allocations in these areas, as summarised in *Table 15* below.

**Table 15. Treatment of priority areas**

PE	Title	2006-07 Revised Programme of Work	Programme Change	Further Proposals Programme of Work
2AA04	Conservation and Sustainable Use of Plant Genetic Resources	2,621	6	2,627
2AA05	Sustainable Intensification of Crop Production Systems through Nuclear Techniques and Biotechnology	2,089	0	2,089
2AP01	Technical Support to the International Treaty on Plant Genetic Resources for Food and Agriculture	2,875	40	2,915
2AP03	Secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture	1,124	500	1,624
2BA03	Management of Animal Genetic Resources	2,307	54	2,361
2CA02	Sustainable Intensification of Livestock Production Systems through Nuclear Techniques and Biotechnology	1,726	0	1,726
2CP01	Secretariat of the International Plant Protection Convention (IPPC)	4,656	531	5,187
2CP02	Pesticide Risk Reduction through Pesticide Management, IPM and the use of Biopesticides	3,936	37	3,973
2CP04	EMPRES - Migratory and Transboundary Invasive Plant Pests	5,226	125	5,351
2CP05	EMPRES - Progressive Control of Transboundary Animal Diseases	4,553	635	5,188
2DA01	Animal Product Food Safety	1,835	329	2,164
2DP01	Improving Food and Environmental Safety through Nuclear Techniques	1,703	0	1,703
2DP03	Joint FAO/WHO Food Standards Programme (Codex Alimentarius)	6,932	13	6,945
2DP04	Food Quality and Safety throughout the Food Chain for Consumer Protection	2,641	116	2,757
2DP05	Provision of Scientific Advice on Food Safety	2,779	0	2,779
<b>2E</b>	<b>Forestry information, statistics, economics, and policy</b>	<b>11,277</b>	<b>383</b>	<b>11,660</b>

PE	Title	2006-07 Revised Programme of Work	Programme Change	Further Proposals Programme of Work
<b>2F</b>	<b>Forest management, conservation and rehabilitation</b>	<b>8,233</b>	<b>2,291</b>	<b>10,523</b>
<b>2G</b>	<b>Forest products and industry</b>	<b>8,899</b>	<b>692</b>	<b>9,591</b>
2HA02	Implementation of the Code of Conduct for Responsible Fisheries (Including Inland Fisheries and Aquaculture) and Related Instruments	3,825	78	3,903
<b>2H</b>	<b>Fisheries and aquaculture information, statistics, economics, and policy</b>	<b>17,857</b>	<b>2,757</b>	<b>20,614</b>
<b>2I</b>	<b>Fisheries and aquaculture management and conservation</b>	<b>12,912</b>	<b>1,462</b>	<b>14,374</b>
<b>2J</b>	<b>Fisheries and aquaculture products and industry</b>	<b>9,248</b>	<b>364</b>	<b>9,612</b>
2KA01	Agricultural Water Use Efficiency, Quality and Conservation	4,080	301	4,381
2KA06	Integrated Land, Water and Production Systems Policies, Planning and Management	1,638	33	1,671
2KP01	Secretariat of the Commission on Genetic Resources for Food and Agriculture (CGRFA)	2,077	0	2,077
2KP08	Fragile Ecosystems	1,144	0	1,144
3BA01	Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS)	4,295	40	4,335
3CA02	Support to the Multilateral Trade Negotiations and support for Implementation of Multi-Lateral Trade Negotiations	1,642	51	1,693
3DA01	Multi-Agency Programme for Capacity Building in Food and Agricultural Statistics	558	138	696
3DP04	FAOSTAT/CountrySTAT and Coordination of Statistics at FAO	2,143	140	2,283
3EA01	Implementing Guidelines on the Right to Food in the context of National Food Security	391	27	418
3FP01	Promoting Gender Equality, Social Equity, Education and Communication in Rural Development	5,144	45	5,189
3HP05	Global Information and Early Warning System on Food and Agriculture	6,380	181	6,561
<b>4E</b>	<b>Technical Cooperation Programme</b>	<b>103,550</b>	<b>0</b>	<b>103,550</b>

263. The original Reform proposals presented to the Conference stressed the importance of adequate non-staff resources to allow for flexible implementation of programmes, and this remains an important aspect of the further reforms. *Table 16* below presents the overall programme of work broken down by staff and non-staff, for the PWB 2004-05, the Revised PWB 2006-07 and as a result of proposals in this document. The evolution of non-staff resources as a percentage of the programme of work demonstrates that the Organization continues to move towards its goal of increased non-staff resources for more efficient and effective means of implementation.

**Table 16. Evolution of non-staff resources**

	PWB 2004-05	Revised PWB 2006-07	Further Proposals
Staff Resources	553,880	566,734	561,998
Non-staff Resources	287,131	310,140	329,339
<b>Total Programme of Work</b>	<b>841,011</b>	<b>876,874</b>	<b>891,336</b>
Percentage non-staff	34%	35%	37%

264. Finally, as described in *Section V*, the proposed Organizational structure not only includes a second phase in the development of a more responsive field office structure, but also incorporates a number of changes at headquarters. The resulting allocations by organizational unit are presented in *Annex 6*.

## B. POST CHANGES

265. *Table 17* recalls the evolution of posts from the PWB 2004-05 to the Revised PWB 2006-07. The table shows an overall net reduction of 122 posts, with an increase in the percentage of professional staff in decentralized locations from 30% to 34%.

**Table 17. Revised PWB - Evolution of posts: post counts by grade category and location**

Grade Category	PWB 2004 05	Revised PWB 2006-07	Net Change	% change
<b>Headquarters</b>				
Director-level and above	143	122	(21)	(15%)
Professional	850	797	(53)	(6%)
<b>Total Professional and above</b>	<b>993</b>	<b>919</b>	<b>(74)</b>	<b>(7%)</b>
General Service	959	872	(87)	(9%)
<b>Total Headquarters</b>	<b>1,952</b>	<b>1,791</b>	<b>(161)</b>	<b>(8%)</b>
<b>Decentralized</b>				
Director-level and above	54	58	4	7%
International Professional	269	242	(27)	(10%)
National Professional	106	181	75	71%
<b>Total Professional and above</b>	<b>429</b>	<b>481</b>	<b>52</b>	<b>12%</b>
General Service	813	800	(13)	(2%)
<b>Total Decentralized</b>	<b>1,242</b>	<b>1,281</b>	<b>39</b>	<b>3%</b>
<b>All Locations</b>				
Director-level and above	197	180	(17)	(9%)
International Professional	1,119	1,039	(80)	(7%)
National Professional	106	181	75	71%
<b>Total Professional and above</b>	<b>1,422</b>	<b>1,400</b>	<b>(22)</b>	<b>(2%)</b>
General Service	1,772	1,672	(100)	(6%)
<b>TOTAL</b>	<b>3,194</b>	<b>3,072</b>	<b>(122)</b>	<b>(4%)</b>
<b>% Professional posts decentralized</b>	<b>30%</b>	<b>34%</b>		

Decentralized Offices counts include 14 outposted headquarters professional posts: 4 outposted AUD posts, 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers (GI) and 4 NPOs (AF).

266. *Table 18* presents the further evolution of posts under the current proposals. The total number of abolished posts since 2004-05 remains at 122 (same as in the Revised PWB). The table shows that professional posts in decentralized locations would rise from 34% to 37% of the total. It is recalled that the percentage of decentralized posts in the 2004-05 PWB was 30%, while the original Reform proposals presented to Conference aimed at a figure of 40%.

267. The staffing of the additional subregional offices and the proposal to shift SSC functions from Rome to Budapest have resulted in an additional 99 posts in the decentralized locations (17 International Professionals, 24 National Professionals and 58 General Service). The SSC in Budapest accounts for 8 additional Professional posts and 64 General Service. Most of the post reduction at headquarters is due to the SSC abolitions. At the time of writing, there were a total of 219 vacant posts in the Organization. A number of mandatory retirements is anticipated, as well as vacancies due to non-mandatory retirement or other unforeseen causes.



**Table 18. Further proposals 2006-07 - Evolution of posts: post counts by grade category and location**

Grade Category	Revised PWB 2006-07	Further Proposals 2006-07	Net Change	% change
<b>Headquarters</b>				
Director-level and above	122	119	(3)	(2%)
Professional	797	772	(25)	(3%)
<b>Total Professional and above</b>	<b>919</b>	<b>891</b>	<b>(28)</b>	<b>(3%)</b>
General Service	872	801	(71)	(8%)
<b>Total Headquarters</b>	<b>1,791</b>	<b>1,692</b>	<b>(99)</b>	<b>(6%)</b>
<b>Decentralized</b>				
Director-level and above	58	62	4	7%
International Professional	242	255	13	5%
National Professional	181	205	24	13%
<b>Total Professional and above</b>	<b>481</b>	<b>522</b>	<b>41</b>	<b>9%</b>
General Service	800	858	58	7%
<b>Total Decentralized</b>	<b>1,281</b>	<b>1,380</b>	<b>99</b>	<b>8%</b>
<b>All Locations</b>				
Director-level and above	180	181	1	1%
International Professional	1,039	1,027	(12)	(1%)
National Professional	181	205	24	13%
<b>Total Professional and above</b>	<b>1,400</b>	<b>1,413</b>	<b>13</b>	<b>1%</b>
General Service	1,672	1,659	(13)	(1%)
<b>TOTAL</b>	<b>3,072</b>	<b>3,072</b>	<b>-</b>	<b>-</b>
<b>% Professional posts decentralized</b>	<b>34%</b>	<b>37%</b>		

Decentralized Offices counts include 14 outposted headquarters professional posts: 4 outposted AUD posts, 2 technical officers (AG and FO), 4 Media Relations/Advocacy Officers and 4 NPOs (KC).

268. *Table 19* below summarises the evolution of posts under each of the distinct organizational structures (i.e. headquarters, regional offices, subregional offices, liaison offices, and FAO representations). The minimal change in total regional office staffing due to co-location of some subregional offices.

**Table 19. Evolution of Posts - post counts by location, taking into account co-located subregional offices in regional office locations**

Category	PWB 2004-05	Net Change	Revised PWB 2006-07	Net Change	Further Proposals
<b>Headquarters:</b>					
Professional	993	(74)	919	(28)	891
General Service	959	(87)	872	(71)	801
<b>Total Headquarters</b>	<b>1,952</b>	<b>(161)</b>	<b>1,791</b>	<b>(99)</b>	<b>1,692</b>
<b>Regional Offices:</b>					
International Professional	158	(23)	135	15	150
National Professional	0	5	5	11	16
General Service	222	(2)	220	36	256
<b>Total Regional Offices</b>	<b>380</b>	<b>(20)</b>	<b>360</b>	<b>62</b>	<b>422</b>
<b>Subregional Offices and multidisciplinary teams located in Regional Offices:</b>					
International Professional	56	15	71	-	71
National Professional	0	12	12	15	27
General Service	49	38	87	21	108
<b>Total Subregional Offices</b>	<b>105</b>	<b>65</b>	<b>170</b>	<b>36</b>	<b>206</b>
<b>Liaison Offices:</b>					
International Professional	17	1	18	2	20
National Professional	0	0	0	0	0
General Service	22	0	22	1	23
<b>Total Liaison Offices</b>	<b>39</b>	<b>1</b>	<b>40</b>	<b>3</b>	<b>43</b>
<b>FAO Representations:</b>					
International Professional	92	(16)	76	0	76
National Professional	106	58	164	(2)	162
General Service	520	(49)	471	0	471
<b>Total FAO Representations</b>	<b>718</b>	<b>(7)</b>	<b>711</b>	<b>(2)</b>	<b>709</b>
Professional (Intern/National)	429	52	481	41	522
General Service	813	(13)	800	58	858
<b>Total Decentralized</b>	<b>1,242</b>	<b>39</b>	<b>1,281</b>	<b>99</b>	<b>1,380</b>
International Professional	1,316	(97)	1,219	(11)	1,208
National Professional	106	75	181	24	205
General Service	1,772	(100)	1,672	(13)	1,659
<b>Total All Locations</b>	<b>3,194</b>	<b>(122)</b>	<b>3,072</b>	<b>0</b>	<b>3,072</b>

269. A more detailed overview of post counts by organizational unit and grade group is shown in *Annex 7*.

### C. ESTIMATE OF TRANSITION COSTS LINKED TO THE FURTHER STRUCTURAL CHANGES

270. One-time transition costs arising from implementation of the proposals from the Director-General as set forth in *Section V* are estimated at **US\$ 2.7 million**. This estimate has been derived using the same methodology as for the approved reforms (cf. *Section III.F*), where costs are categorised by the main causal factors. Based on the results of agreements already negotiated or being negotiated with host governments in connection with the establishment of subregional offices, a mixture of funding sources to meet these costs have been identified and are summarised below.

#### *Streamlining and efficiency gains*

##### *a) Implementation of the Shared Services Centre*

271. The implementation of the SSC was approved as part of the first phase of reforms. The transition costs associated with its implementation are therefore dealt with in *Section III.F*.

##### *b) Streamlining and strengthening of management processes*

272. Following the proposed change in headquarters and in the decentralized structures, one-time costs of **US\$ 0.6 million** have been identified to cover staff relocation and separation costs due to restructuring of ancillary support services (e.g. drivers, clerks, etc.) in the regional offices in Asia, Latin America and the Near East.

#### *Structural change underway*

##### *a) Headquarters structure*

273. No incremental one-time costs are foreseen for the restructuring at headquarters arising from the proposals described in *Section V*.

##### *b) Decentralized offices*

274. The establishment of two subregional offices in new locations (Central America and the Gulf) would result in **US\$ 0.7 million** in one-time costs for professional staff relocation. Physical investments to equip the new offices with vehicles, office equipment, furniture and improvements to meet the MOSS security requirements are estimated at **US\$ 0.9 million**.

275. As for the first phase of reforms, several different categories of staff will require one-time intensive retraining. The total cost, to be incurred in 2007 is estimated at **US\$ 0.4 million** for FAORs and **US\$ 0.1 million** for SROs.

#### *Impact of near zero-nominal growth budget*

276. One-time costs due to the approved budget level were fully met under the first phase of reforms.

#### *Financing of one-time transition costs linked to further reforms*

277. One-time costs arising from implementation of the proposals from the Director-General described in *Section V* would be met from a combination of external funding sources, utilisation of reserves, and internal resources within the 2006-07 programme of work.

278. With regard to the establishment of new subregional offices, taking into account the positive outcome of negotiations to date as well as preliminary consultations with Members, one-time costs of US\$ 1.2 million are likely to be covered by external voluntary host country contributions. Furthermore, US\$ 0.5 million in termination cost would be charged to the Termination Payments Fund. Funding for training costs of FAORs and SROs, amounting to US\$ 0.5 million would be met from the regular programme training budgets. The remaining balance of US\$ 0.5 million would be covered from savings flowing from staff vacancies

throughout the organization and from higher provisions for non-staff resources in regional and subregional offices.

279. As for the phase already approved by the Conference, host governments are likely to contribute also on a recurring basis, with eventual contributions in cash for the running costs of the offices, and in kind by providing national junior technical officers and support staff.

#### **D. EXTRABUDGETARY RESOURCES, INCLUDING AREAS OF PARTICULAR INTEREST TO DONORS**

280. Anticipated developments regarding extrabudgetary resources have been covered as usual in the Programme of Work and Budget 2006-07 document, and tentative delivery forecasts have been included in both that document and the Revised PWB.

281. FAO faces a context of both opportunities and challenges in respect of mobilising extrabudgetary resources for its own activities and assisting Members in mobilising resources for their agricultural development. On the one hand, the last ten years have been marked by significant global events and related pronouncements, notably: the Millennium Declaration and the MDGs, including the goal set at the World Food Summit; the Monterrey and Johannesburg Conferences; and, the UN Summit Declaration of September 2005. Moreover, recent commitments by Governments suggest that ODA<sup>24</sup> may almost double within the next five years (from US\$ 80 billion to US\$ 130 billion). Aid flows to Africa are expected to increase faster than those for other regions. At the same time, the Paris Declaration on Aid Effectiveness, adopted in March 2005 by most major donors, sets the tone for how development assistance would be conducted in the future (cf. *Section II* above). Instruments such as sector-wide approaches and budget support mechanisms are becoming the “norm” for aid delivery, reinforcing the relationship between donors and recipients.

282. On the other hand, there are also challenges including the still insufficient resources directed at the agricultural sector, but which are likely to grow sharply, and the need to adapt to new sources of finance and ways of conducting business, as mentioned above. With regard to the latter, there is a major requirement to strengthen the capacity of ministries of agriculture in securing domestic and external resources, as well as in adjusting to donor harmonisation arrangements for planning and implementation. FAO also has to explore modalities that enhance predictability, long-term stability, and adequacy of funding to respond to the new demands emerging from the UN development agenda and the implementation of the MDGs. The establishment of global funds such as the GEF calls for adequate expertise to link investment operations with measures that enhance the environment.

283. The diversification of FAO’s traditional resource base for the field programmes is to be pursued. For instance, expansion will be sought of Strategic Partnership Agreements with bilateral partners. These agreements aim *inter alia* to support FAO’s contributions to the attainment of the MDGs, seek close links to the regular programme of work and to benefit from the Organization’s decentralized office network for practical action at field level. At the same time, inter-disciplinary action may also be facilitated in the context of broader development initiatives. The identification of non-traditional funding sources includes those from emerging economies, e.g. resulting in the expanded use of Unilateral Trust Funds, whereby governments, rather than donors, finance development cooperation with FAO in their own countries. The diversification strategy covers also the International Financing Institutions (IFIs) and incipient global funds. At the country level, it is recalled that procedures are in place so that FAO Representatives are able to negotiate and conclude funding agreements with local donors and they are active participants in UNDAF processes leading to joint assistance strategies in FAO’s areas of competence.

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<sup>24</sup> In particular, the Monterrey Consensus of March 2002 and the Gleneagles Communiqué of July 2005.

284. In order to assist with the ongoing reform process, a number of working groups covering clusters of programme entities and important cross-cutting issues have been active in generating new ideas and formulating proposals. More recently, given the funding limitations experienced under the Regular Budget and in the context of opportunities and challenges for resource mobilisation described above, these groups have identified areas of potential interest to extrabudgetary sources. A summary of their proposals is reproduced below. They involve financial outlays of vastly different magnitude and they are not listed in any particular order of priority. These ideas will be further refined and resulting concrete proposals will be actively pursued in future contacts with donors.

**Table 20. Areas of potential interest for extrabudgetary funding**

Substantive area	Specific activities
<b>Crop and livestock production</b>	
	Adapting conservation agriculture to diverse ecosystems in African Savana Dissemination of Good Agricultural Practices (GAP) for incorporating grain and fodder legumes into crop/livestock systems in Africa Field Farmers Schools for validating GAP in farming systems
<b>Plant pests and animal diseases</b>	
	Strengthening of the animal and plant component of EMPRES Further support to the implementation of the International Plant Protection Convention
<b>Fisheries and aquaculture</b>	
	Expanded support to the implementation, monitoring and management of the Code of Conduct for Responsible Fisheries, including inland fisheries and aquaculture Improving utilisation, safety and quality of fishery (small-scale and industrial) and aquaculture products, including safety of fishing operations and fish trade and marketing Support the monitoring, management and conservation of fishery (inland and marine) and aquaculture resources, including eco-system approach, ecological and environmental changes
<b>Forestry</b>	
	Support to National Forest (Land Use) Assessments. Facilitation of the implementation of Forestry Codes at country level Support to the Global Forest Resources Assessment 2010
<b>Agro-industries and rural infrastructure</b>	
	Promotion of added value food and agro-industrial products Policy formulation and institutional arrangements to support the development of rural infrastructure and agro-industries Organisation of an international conference on agro-industries
<b>Land, water and sustainable use of natural resources</b>	
	Expansion of AQUASTAT Further assistance in SARD Assistance on land tenure (policies and institutions)

Substantive area	Specific activities
<b>Climate variability and disaster risk mitigation</b>	<p>Implementation of disaster risk mitigation and preparedness in countries</p> <p>Assessment of the cost-effectiveness of disaster mitigation vs relief</p> <p>Further development of FAO's rapid disaster impact assessment capacity</p>
<b>Statistics</b>	<p>Strengthening FAOSTAT global database and supportive systems</p> <p>Expanded use of CountryStat and improvement of country statistics</p> <p>Improved statistics linked to food security</p>
<b>Genetic resources and biodiversity</b>	<p>Assessment and indicators of biodiversity for food and agriculture</p> <p>Ecosystem approach to the conservation and sustainable use of biodiversity for food and agriculture for food security</p> <p>Implementation of commitments related to the decisions of the Commission on Genetic Resources for Food and Agriculture</p>
<b>Food security, nutrition and livelihoods</b>	<p>Programme for community action for Sustainable Livelihoods</p> <p>Facility for livelihoods support and globalisation response</p>
<b>Food quality and safety</b>	<p>Expanded provision of scientific advice in food safety and quality</p> <p>Translation of the Codex Alimentarius into other languages</p> <p>Training of food regulatory authorities to communicate with the public about food safety and quality (including nutrition and healthy diets)</p>
<b>Agricultural policy analysis</b>	<p>Capacity-building for policy support (including cooperation with centres of excellence)</p> <p>Resilience of food systems subject to complex emergencies: analysis of policy and programme options</p>
<b>Alliances and communication</b>	<p>Strengthening Alliances against Hunger at regional and national level, in particular capacities of national alliances</p> <p>Development of an effective and fully integrated multimedia campaign making full use of the latest technologies</p> <p>Further development and dissemination of comprehensive linguistic resources (terminology databases, specialised glossaries, etc.) covering all FAO's areas of activity in all official languages</p>

## E. ADMINISTRATIVE OVERHEADS

285. At its session of May 2006, the Programme Committee (cf. paragraph 18 of its report<sup>25</sup>):  
*“considered that it was also useful for the membership to be able to assess the extent of administrative costs in relation to total expenditures, often referred to as “administrative*

<sup>25</sup> CL 131/11

*overheads*". The Committee: "agreed that it was important to reach an unambiguous definition of administrative overheads, to facilitate building up of time series and comparisons with other organizations, and recognised that this might primarily be a task for the Finance Committee to oversee."

286. Pending further discussion of the matter by the Finance Committee, it is noted that a preliminary view of the extent of "administrative overheads" is facilitated by the new chapter and programme structure introduced in the PWB 2006-07. Chapters 2, 3 and 4 now cover the bulk of FAO's substantive work, while other chapters (for instance 1, 6 and 9) embody mandatory functions or expenditures for the Organization to be able to function. Chapter 5 on the other hand is the most pertinent to "administrative support work". As was emphasised when the new chapter and programme structure was first presented<sup>26</sup>: "*Chapter 5: Management and Supervision Services would enhance transparency and understanding by regrouping a range of services now dispersed over three different chapters.*"

287. However, not all rubrics within Chapter 5 would fall under the notion of administrative support work, i.e. Programmes 5A: *Oversight*, 5B: *Programme and Budget Services* and 5G: *Meetings and Language Services and Protocol*. Thus, if the remainder of expenditures under this chapter is compared with the total programme of work, this indicates a percentage of "administrative overheads" of 12%.

288. While this figure provides a reasonably straightforward proxy, it does not reflect the fact that: administrative work may be performed under other PWB chapters (i.e. as part of the provisions for programme management identified with the letter X under the appropriate chapters<sup>27</sup>. Taking account of these would make the percentage 17.8%.

289. Another aspect which was addressed by the Programme Committee<sup>28</sup> was the need for a clearer definition of what constitute "*technical and non-technical*" work. It must be clarified that this terminology and possibly perceived dichotomy between two sets of activities within the total programme of work of the Organization was used in recent MTP and PWB documents. The terminology was to some extent linked to the chapter and programme structures in these documents but did not stem from a rigorous analysis of the "technical" contents of underlying activities or otherwise.

290. In effect, it may be recalled that the previous PWB structure included Chapter 2, entitled *Technical and Economic Programmes*. The programme model now in force in FAO and based on results-based budgeting principles was first applied to this chapter, and only in a successive phase to the other chapters. Hence, in order to distinguish the scope of application of the model in two phases, for reasons of expediency, work under Chapter 2 was quoted as "technical" while work under other chapters was quoted as "non-technical". However, this did not do justice to valuable work of substantive nature also done under these other chapters (e.g. under the then Chapters 3: *Cooperation and Partnerships* and 4: *Technical Cooperation Programme*).

291. This terminology and its pertinence are now largely superseded by the design of the new chapter and programme structure in the PWB of the present biennium, as Chapters 2, 3 and 4 cover – hopefully less ambiguously – the substantive work of FAO, while other chapters cover either the type of mandatory functions or expenditures required by the intergovernmental nature of the Organization or administrative support work, as mentioned above.

292. The Secretariat will continue to give further thought to the matter, in the light of experience in other comparable agencies and observations from the membership.

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<sup>26</sup> C 2005/3 Sup. 1, para. 43

<sup>27</sup> cf. PC95/3 – FC 113/14

<sup>28</sup> cf. CL 131/11, para. 17

## **F. SAVINGS AND BENEFITS ARISING FROM FIRST PHASE OF REFORMS AND FURTHER PROPOSALS**

293. The implementation of the Director-General's reforms (both the first phase approved by the 2005 Conference and further proposals) are expected to yield qualitative and quantitative benefits. The qualitative benefits are described in FAO's planning documentation and in previous sections. Examples include giving more effective meaning to FAO as a knowledge organization, enhancing multidisciplinary approaches and creating a more effective decentralized office network.

294. The main way of articulating substantive priorities is through the programme entities. These are formulated in the context of the diminishing overall resources available and attendant financial targets provided to departments, with the prime concern being to ensure:

- that the programmes are reflective of effective requirements and the expressions of relative priorities by Members;
- that they are viable, in terms of the resources budgeted for every programme entity in relation to the expected outputs and results; and
- that the most efficient and effective delivery mechanisms are chosen for the programme entities, in terms of the mix of inputs and their geographic location.

295. This section summarises the major financial savings and benefits estimated to be generated by the first phase of reforms approved by the Conference and by the Director-General's further proposals, which have allowed the Secretariat to strengthen important facets of the organization's programme of work. There are, however, some constraints to providing a comprehensive quantitative presentation. FAO's transformation has simultaneously affected all programmes and programme entities as well as its organizational structure. Therefore, it is not practicable to establish an unequivocal and comprehensive audit trail or report on source and application of resources, showing sums which would be saved as the result of specific actions and where these have been applied to strengthen other areas. Moreover, although productivity gains in both administrative and technical areas are being progressively realized, they cannot be readily "monetised". For example, in the administrative area, reductions in the average time to process payments have not been quantified; in the technical programmes, statistical outputs continue to rise sharply despite no increases in staff, again without explicit quantification. Consequently, such savings cannot be tabulated and tend to understate the movements.

### *Areas of recurring savings*

296. Notwithstanding the limitations, the major *recurring* financial savings and "monetised" gains are summarised in the following *Table 21*. Expected one-time external contributions outside the biennial programme of work are quantified in *Sections III.F* and *VI.D* and are not included below since, by definition, they are non-recurring.



**Table 21. Summary of the major recurring savings and “monetised” gains**

Area/action	Reference in document	Amount per biennium (US\$ 000)
<b>Efficiency savings and streamlining</b>		
Full-scale phased implementation of the Shared Services Centre (SSC).	<i>Section III.C</i> , especially paragraph 73	8,000
Streamlining and efficiency measures under the authority of the Director-General (e.g. new banking structure and automated banking system to reduce bank charges, automated import/export of project imprest data, expected modifications to lump-sum entitlement travel arrangements, joint procurement).	<i>Sections IV.D</i> and <i>VI.E</i>	3,500
Net decrease of Director-level posts and associated General Service posts at headquarters (i.e. delayering) – part of the savings were reallocated to the same organizational units.	<i>Section III.F</i>	10,000
Increased reimbursements to the general fund from extrabudgetary projects, including proposed increase in support cost rates for projects which provide direct support to RP activities.	Document FC 115/14	9,500
Efficiency savings in the TCP unit.	Paragraph 258	350
<b>Decentralization</b>		
Favourable staff cost differentials for subregional offices, by positioning multi-disciplinary teams (including related support staff) in new geographical locations, contributing to an increase the overall proportion of professional staff in decentralized locations from 30% in the PWB 2004-05 to 37%).	<i>Sections III.B</i> and <i>VI.B</i>	5,200
Provisional estimate of assistance in cash and in kind from host governments towards running costs of subregional offices, and estimated value of provision of junior technical officers and support staff by host governments of subregional offices.	<i>Sections III.C</i> , <i>III.F</i> , <i>VI.D</i>	17,300
Favourable staff cost differentials from transfer to Budapest of the Regional Office for Europe, to become Regional Office for Europe and Central Asia. Possible contributions by Government of Hungary towards running cost of the Regional Office and SSC hub are being negotiated and are not quantified at this stage.	<i>Section V.C</i>	740
Restructuring of ancillary support services (e.g. drivers, clerks, registry, etc.) in regional offices.	Paragraph 268	1,000
Streamlining of policy and operations groups in regional offices.	Paragraphs 256 and 257	2,900

Area/action	Reference in document	Amount per biennium (US\$ 000)
<b>Headquarters adjustments</b>		
Adjustment to non-staff resources allocated to communications and public information activities under Programme 3J.	Paragraph 256	650
Net saving to be achieved through abolition of OFA (most of the activities handled by this office are to be reallocated to other units).	<i>Section V.C;</i> paragraph 256	350

*Areas of strengthening and benefits*

297. While the programme and organizational restructuring measures approved by the 2005 Conference and in the proposals presented in *Section V* go beyond pure changes in financial allocations, there are specific upward movements of resources which are summarised in the following *Table 22*.

**Table 22. Major areas of strengthening reflected in the document**

Area/action	Reference in document	Amount per biennium (US\$ 000)
Higher non-staff resources in regional and subregional locations, to allow for greater flexibility for the concerned offices in meeting demands from Members, contributing to delivery of substantive programme entities and meeting some one-time training costs from the programme of work.	Paragraph 254	10,100
Strengthening of selected substantive priority programme areas or entities, including from increased provisions for non-staff resources allocated to multidisciplinary teams (see previous caption) and internal shifts to take account of re-allocation of staff time of FAORs from Chapter 4 to Chapters 2 and 3, as inherent in the new operating model.	<i>Table 15</i> following paragraph 262	11,000
Establishment of a new liaison office in Moscow.	<i>Section V.C</i>	1,300
Strengthening further internal controls over the revised PWB 2006-07 levels by reinstating resources for the local audit programme to a more appropriate level, and bolstering resources for the Office of the Inspector-General and the Finance Division.	Paragraph 200	2,440
Augmentation of the provision available for projects under the TCP Appropriation (in this case, through the direct application of the saving from reorganisation of the TCP unit).	Paragraph 258	350

*ANNEX 1: Conference 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 emphasised that reforms were necessary and urgent, and that they should be implemented regardless of the budget level, and that he intended to seek extrabudgetary support to meet part of the transition 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-recognised challenges such as assisting Members and achieving the Millennium Development Goals (MDGs), and assisting developing countries' implementation of international agricultural and food standards,

**Recognising** 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 authorises the establishment of the Shared Services Centre.
4. Endorses the new chapter structure as reflected in general terms in document C 2005/3 Supp.1 and its Addendum as a basis for further elaboration of the Programme of Work and Budget 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 one 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. Authorises 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)*

*ANNEX 2: Important dimensions in the design of FAO's programmes*

298. Discussions between the secretariat and delegations have underscored the need to clarify several features in the design of FAO's programmes which are particularly relevant to ongoing reforms in the Organization. Accordingly, this *Annex 2*:

- recalls the new chapter and programme structure used in the Programme of Work and Budget;
- describes the results based budgeting principles applied in the design of programme entities, stressing their importance in programme formulation and execution;
- describes the interdependencies between "normative" and "operational" activities, which is a major comparative advantage of FAO;
- stresses that the Organization's work programme cuts across *resource boundaries*, providing examples of extrabudgetary resources contributing to the continuum of normative and operational work;
- also emphasises that execution of the work programme cuts across *geographic boundaries*, as managers take into account considerations of responsiveness (e.g. to be closer to beneficiaries of FAO's products and services) and efficiency (e.g. most economical delivery mechanisms);
- addresses differing perceptions about "critical mass", emphasising that critical mass relates to achievement of programme results and is not linked to the geographical location of staff and inputs; and
- provide more detailed data on cost differentials across locations.

*a) New PWB chapter and programme structure*

299. The PWB comprises a hierarchy of chapters, programmes and programme entities to articulate the priorities and expected achievements of the Organization. The 2005 Conference approved new titles for the PWB chapters, as follows:

Chapter 1:	<i>Corporate Governance</i>
Chapter 2:	<i>Sustainable Food and Agricultural Systems</i>
Chapter 3:	<i>Knowledge Exchange, Policy and Advocacy</i>
Chapter 4:	<i>Decentralization, UN Cooperation and Programme Delivery</i>
Chapter 5:	<i>Management and Supervision Services</i>
Chapter 6:	<i>Contingencies</i>
Chapter 8:	<i>Capital Expenditure</i>
Chapter 9:	<i>Security Expenditure</i>

300. Chapter 2 includes areas that are essential 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 emphasises programmes that contribute to the responsible management and conservation of natural resources and their sustainable use.

301. Chapter 3 ensures synergy among 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 had not hitherto been explicitly recognised in

the programme structure. It also gives attention to building alliances and to enhancing rural livelihoods, thus facilitating FAO's engagement with a wide spectrum of stakeholders within countries, as well as at the international level.

302. Chapter 4 highlights in the first instance the priority given to strengthening cooperation with other UN bodies, both internationally and at the national level. It provides the framework for coordinating and delivering FAO's services to Members, i.e. its well established technical cooperation activities, investment formulation and emergency and post-crisis management interventions. Through the decentralized network, it aims at strong links with regional and subregional organizations.

303. Below the chapter level, the Programme and Finance Committees endorsed the constituent programmes at their sessions in May 2006 (going down from the 60 in the preceding structure to 42, excluding the standard provisions for programme management). These are shown in the following *Box 1*.

**Box 1. Programme structure in the Revised PWB 2006-07**

<b>Chapter 1: Corporate Governance</b>
1A Governing bodies
1B General direction
<b>Chapter 2: Sustainable Food and Agricultural Systems</b>
2A Crop production systems management
2B Livestock production systems management
2C Diseases and pests of animals and plants
2D Nutrition and consumer protection
2E Forestry information, statistics, economics, and policy
2F Forestry management, conservation and rehabilitation
2G Forest products and industry
2H Fisheries and aquaculture information, statistics, economics, and policy
2I Fisheries and aquaculture management and conservation
2J Fisheries and aquaculture products and industry
2K Sustainable natural resources management
2L Technology, research and extension
2M Rural infrastructure and agro-industries
<b>Chapter 3: Knowledge Exchange, Policy and Advocacy</b>
3A Leveraging resources and investment
3B Food and agriculture policy
3C Trade and marketing
3D Agriculture information and statistics
3E Alliances and advocacy initiatives against hunger and poverty
3F Gender and equity in rural societies
3G Rural livelihoods
3H Knowledge exchange and capacity building
3I Information technology systems
3J Communication and public information
<b>Chapter 4: Decentralization, UN Cooperation and Programme Delivery</b>
4A UN cooperation, integration and monitoring
4B Coordination of decentralized services
4C Food security, poverty reduction and other development cooperation programmes
4D Emergency and post crisis management
4E Technical Cooperation Programme
<b>Chapter 5: Management and Supervision Services</b>
5A Oversight
5B Programme and budget services
5C Financial services
5D Human resources management and staff welfare
5E Procurement
5F Management of premises
5G Meetings and language services and protocol
5H Shared services
<b>Chapter 6: Contingencies</b>
<b>Chapter 8: Capital Expenditure</b>
<b>Chapter 9: Security Expenditure</b>
9A Headquarters security
9B Field security

**b) *Results-based budgeting principles applied in the design of programme entities***

304. The programme model approved by the FAO Conference for the formulation of the rolling Medium-Term Plan and the biennial Programme of Work and Budget entails designing programme entities (see following *Box 2*) which:

- identify the intended outcomes and results, the outputs to be produced, the activities to be carried out, and the required inputs from various units, allowing for means-end analysis;
- clarify FAO's comparative advantages in the work being planned, the needed collaboration with partner institutions and the potential leverage of extrabudgetary resources;
- include arrangements for appraisal, evaluation and performance reporting to both management and governing bodies.

305. Programme entities, as formulated in the Revised PWB 2006-07, are therefore the building blocks for developing and monitoring FAO's programme of work. They serve as a means of communicating and articulating substantive priorities.

**Box 2. Formulation of programme entities**

Detailed programme entity design information for the MTP 2006-11 and the Revised PWB 2006-07 is posted on the Organization's Web site, which specifies:

- the *rationale*, i.e. describing the development problem and contribution to the problem resolution, and stating why it is important that FAO, in the context of its corporate objective – instead of another agency or organization – meets a perceived need of Members;
- the *objectives* being sought, in terms of expected benefits of FAO's work to users;
- the *major outputs* (and biennial outputs in case of the PWB) describing tangible products and services, and outcomes in terms of their use and related timeframes, to demonstrate how the stated objective is to be achieved and provide milestones for monitoring purposes;
- performance *indicators* in achieving the intended outcomes.

For planned major outputs, it is incumbent upon the responsible units to identify: the intended users (e.g. technical staff of government and private sector institutions concerned); the most efficient delivery mechanisms, i.e. the lowest-cost way to deliver outputs of the desired quality at the required time; and the external links (e.g. to other projects or activities, to needed partners).

Biennial outputs are categorised into the following groups:

1. international undertakings and agreements;
2. information exchange and coordination;
3. information products, systems, databases;
4. policy and legislative advisory services;
5. capacity-building and training;
6. technical advice to Members and field programme support.

**c) *“Normative” and “Operational” activities, their funding and means of execution***

306. The terms “normative” and “operational” are not contained in FAO's Basic Texts, but feature regularly in discussions among delegations and staff as if they are mutually exclusive and independent. However, as described below, there is a continuum between normative and operational work and the underlying dual role is a significant comparative advantage of FAO. The



Organization's work, including "normative" actions, cuts across resource boundaries since regular budget resources are destined to both normative and operational work and extrabudgetary resources are critical to facilitating the continuum of normative and operational work. Moreover, the execution of the work programme also cuts across geographic boundaries, as managers need to take into account considerations of responsiveness (e.g. to be closer to beneficiaries) and efficiency (e.g. most economical delivery systems).

307. By way of illustration, three examples are provided below in Boxes 4, 5 and 6, drawn from different sectors: agriculture, fisheries and forestry, of high priority programme entities that:

- have both "normative" and "operational" dimensions;
- receive resources for related work from other funding sources than the Regular Budget; and
- entail delivery systems with inputs across geographic boundaries.

*d) Interdependencies between "normative" and "operational" activities*

308. An information note on "normative and operational" work in the Organization was provided to the Programme Committee at its session of May 2006 (PC 95/INF/6). It sought in the first instance to offer practical illustrations of activities falling under the two categories (see following *Box 3*).

### Box 3. Examples of normative and operational activities

#### Normative work, to comprise:

- a) Standard setting, i.e. through treaties, conventions or similar instruments, generally of a binding nature on, or involving voluntary commitments from contracting parties, e.g.: International Plant Protection Convention and phytosanitary standards, Codex Alimentarius, International Treaty on Plant Genetic Resources, Rotterdam Convention on Prior Informed Consent, Fisheries Compliance Agreement, Voluntary Guidelines for the Right to Food, etc.
- b) Activities of general interest:
  - policy and outlook studies, e.g. *AT 20xx*, forestry outlooks, etc.;
  - “*State of ...*” (e.g. SOFA, SOFIA, SOFO, etc.) and other status reports (e.g. on Plant and Animal Genetic Resources);
  - advocacy work and use of convening powers, either to address major ethical issues – e.g. the persistence of hunger and malnutrition – or issues of major international concern – e.g. leading to various Codes of Conduct, the International Plans of Actions in the fisheries sector, agreements reached in its Technical Committees or Expert Groups, etc.;
  - informing debates in other bodies about implications for the food and agriculture sector, e.g. in relation to WTO Trade Negotiations, the International Forum on Forests, etc.;
  - informing discussions from the perspective of food and agriculture and extending their understanding to regional and country levels (e.g. including participation by FAORs in national planning exercises);
  - support to, or catalyst of international cooperation, e.g. through regional fisheries bodies, in combating animal diseases and plant pests of transboundary nature, in fostering cooperation for internationally shared river basins, etc.;
  - collection and dissemination of technical information (such as statistics, maps and documents) through the WAICENT framework;
  - global monitoring or alert systems: e.g. the GIEWS, FIVIMS, those dealing with environmental or health risks relating to FAO mandate including food safety problems, etc.
- c) Activities of general interest with a primary knowledge management dimension, e.g.:
  - dissemination of best practices;
  - knowledge exchange networks;
  - dialogue with FAO experts (i.e. “Ask FAO”);
  - other publications and global databases.

#### Operational work, to comprise:

- a) specific technical cooperation projects in countries or regions (under a variety of funding arrangements);
- b) investment project formulation (generally upon request from partner international financing institutions);
- c) provision of material assistance (mostly in relation to emergencies);
- d) provision of direct policy or technical advice to counterpart authorities or local entities;
- e) training, technology transfer and other forms of capacity-building.

309. Beyond practical definitions, the Programme Committee information note underlined the importance of the *continuum between normative and operational work*, observing that:

- normative outputs are, and must be enhanced by complementary assistance of an operational nature. For instance, CODEX food standards are established in the light of

specific problems faced by the entire membership, but many countries require direct assistance to strengthen national and regional institutions so that such standards can be effectively implemented and thus enable them to participate fully in regional and global processes and exchanges. Another view of this desirable continuum is that norms or recommended practices cannot just originate from scientific analysis or empirical determination, but need to be reconciled with a practical understanding of what countries can comply with in a world of diverse capacities;

- the relevance of many programme entities depends on the positive “feedback loop” that occurs between global analytical work and the experience gained from concrete operational work. For example, the principle of applying integrated pest management in projects and programmes implemented and supported through operational systems, leads to lessons being learned which then form the core of technical guidelines that are of general interest to the membership.

310. Discrimination in favour of either “normative” or “operational” work undermines the above beneficial relationships. It introduces inadvertent bias when using this categorisation in expressing preferences about substantive priorities, which has contributed to divisiveness between Members even though the underlying dual role is a significant comparative advantage of FAO.

311. In effect, as part of the ongoing reform process, the Director-General has sought to emphasise *FAO as a Knowledge Organization*, processing, categorising, standardising and disseminating, but also promoting best practices. He also underlined the need for improving mechanisms for knowledge sharing and interdisciplinary approaches, which cover all aspects of FAO’s mandate as expressed in the Preamble and Article 1 of the Constitution. While the generation and dissemination of information has always been part of the core business of the Organization, rapidly evolving technologies create new opportunities to become more effective in this area and to address the extensive needs of wide range of constituents. This would include more advanced interactive services (“Ask FAO”) as part of WAICENT, the more systematic use of knowledge networks (both internally and externally) and enhanced capacity-building at national level to make use of tested knowledge and best practices.

*e) Complementarity of funding sources*

312. A full picture of the achievement of FAO’s objectives in a given area can only be obtained by looking at all complementary resources. These comprise Regular Budget allocations to programme entities, assistance provided by FAORs, TCP projects and projects under extrabudgetary funding, with their own clearly defined objectives and related outcomes. They are all generally inextricably linked to the overall results the Organization seeks to achieve at regional and national levels.

313. The most direct contribution of extrabudgetary resources to the continuum of “normative” and “operational” work is through the expanding number of Strategic Partnership Agreements concluded between donors and the Organization, where the intent is clearly to strengthen the outreach of key activities under the Regular Programme. At national level, the gradual introduction of NMTPFs is expected to facilitate jointly with national authorities the identification and formulation of technical cooperation projects which would be closely aligned with the Organization’s recognised substantive priorities.

314. It may be noted that a major analytical effort has been carried out under the aegis of a number of internal working groups<sup>29</sup> established by the Director-General dealing with clusters of entities and other dimensions of the work of the Organization. They should facilitate the identification of opportunities for additional extrabudgetary funding to support selected substantive areas. This work looked in particular into the potential funding from non traditional donors such as those with emerging economies, and attracting more resources from International

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<sup>29</sup> see list in Appendix

Financial Institutions (IFIs), other UN system partners and new global funds (dealing for instance with environmental dimensions). The enhanced involvement of decentralized offices in fund raising is also an important feature of the reforms.

*f) Programme of work cutting across geographic boundaries*

315. Most of the entities included in the programme of work have a global significance and may have intended end users of different types (governmental authorities, local institutions, academic or farming communities, etc.). The variegated activities (e.g. data collection, analytical work, pilot interventions, expert consultations, advice from partners) foreseen in the design of the entity and the underlying major outputs will influence the choice of the inputs, as the latter can be generated or procured by either headquarters units or decentralized offices.

316. For instance, global assessments or technical guidelines must also reflect region- or country- specific situations, requiring information collection or case studies to be carried out at regional or country levels. Similarly, general support to inter-country cooperation in relation to animal diseases and plant pests of transboundary nature must take account of the advice of dedicated specialists familiar with the respective regional contexts placed in decentralized locations and who are in contact with partner institutions and can best organise local consultations. Geographical location is thus an important consideration for maximising effectiveness in the delivery systems for planned entities and outputs, bearing in mind facilitation of outreach to end users and the practical benefits of proximity.

317. The expression “*critical mass*” tends to be used frequently nowadays when discussing specific programmes and projects, generally to refer to the resources (for example staff or otherwise) deemed necessary to achieve a desired objective or result. Concerns have been expressed about “*lack of critical mass*” to partly signal a perception that resources are below the minimum level to ensure effectiveness in seeking planned outcomes.

318. It is clear that concerns of this nature become more acute at times of budgetary stringency. The regular budget reductions of 26% in real terms since 1994 have resulted in a corresponding reduction in regular programme posts, while the total number of staff (including under extrabudgetary funds) has declined by 31%. At their session in May 2006, the Programme and Finance Committees recognised that as consequence of, *inter alia*, the successive budget cuts, the critical mass of the Organization in certain key areas of FAO’s mandate was seriously weakened. The Revised PWB 2006-07 also saw a reduction of 29% in the overall number of programme entities (from 261 to 186) through elimination of duplications, consolidation and prioritisation. But within a given level of resources, “critical mass” should be related to programme entities and the expertise and other input needed to produce their stated outputs. This implies that in the first instance goals and objectives need to be clearly stated and matched with resource requirements. Managers who designed the entities that were approved by the Programme and Finance Committees at their sessions in May 2006, sought to define their outcomes in a manner that is consistent with the resources available while optimising efficiency and effectiveness of programme delivery.

319. Recent debates in FAO fora have also examined the desirability of further decentralization, which has led to the notion of “critical mass” being often associated with geographical locations, i.e. “insufficient critical mass” at headquarters, in a given unit, or in decentralized offices (generally alluding to the number of specialists among the staff in a given discipline or capable of addressing the problems of a subsector). In effect, because of the opportunities from modern information technology (IT) with Internet, Web-based telephony, Webcams, e-mail, teleconferencing, all experts in a given discipline, irrespective of location, would constitute a community of practice. These experts would maintain a unity of purpose and ensure an effective exchange of knowledge for the implementation of approved entities, establish best practices and disseminate in the widest possible manner their accumulated knowledge to potential constituents. Their location thus becomes an issue of cost and efficiency of delivery systems to end users.

**g) Cost differentials by location**

320. The requirement for efficiency savings and more economical solutions, without unduly compromising effectiveness, has been repeatedly emphasised by the governing bodies and is essential during the present period of budgetary constraints. It follows that a key component of programme entity design concerns the apportionment of the required inputs to the most suitable geographical locations in the Organization, since the cost of inputs varies substantially between locations. In examining the desirability of further decentralization, the governing bodies have requested a clear indication of the cost savings that would result from decentralization.

321. The majority of inputs for most programme entities consist of human resources. *Table 23* summarises the differences in professional and general service remuneration levels between headquarters and all the regional offices and two of the new subregional locations. Such remuneration comprises the salary paid to staff and also the Organization's expenditure for staff benefits such as pensions, social security (including after-service medical benefits) and expatriate benefits (e.g. education grant, home leave travel) where applicable:

- The average cost of professional posts is generally considered comparable across major locations where FAO is present. However, a review of professional staff salary and benefits in these locations for a typical staff member at P-4 level reveals that professional staff costs are generally lower in the locations where FAO has regional and subregional offices than at headquarters. The maximum professional cost differential is with Cairo where the relative cost compared to headquarters is 88%.
- The average cost of general service posts is significantly lower in all decentralized locations than at headquarters. Based on current salary levels (including the results of most recent salary surveys), the relative remuneration levels in these major decentralized locations compared with headquarters range from 64% in Ankara to 25% in Accra or 23% in Addis Ababa, with corresponding general service staff cost differentials compared with headquarters of 36% and 75% or 77% respectively.

**Table 23. Proforma costs for a Professional and a General Service posts (US\$'000)**

	HQ	RAF	RLC	RAP	RNE	SEUR	SFC	SFE	SEC
	Italy	Ghana	Chile	Thailand	Egypt	Hungary	Gabon	Ethiopia	Turkey
<b>Biennial costs</b>									
P-4, mid step	332	328	311	295	292	313	320	337	304
<i>Index (HQ = 100)</i>	100	99	94	89	88	94	96	102	91
<b>Variance from HQ (cost differential)</b>		-1	-6	-11	-12	-6	-4	2	-9
G-5, mid step	163	41	103	79	48	55	75	37	105
<i>Index</i>	100	25	63	48	29	34	46	23	64
<b>Variance from HQ (cost differential)</b>		-75	-37	-52	-71	-66	-54	-77	-36

322. As illustrated in *Table 24* the potential savings from executing functions in decentralized locations compared with headquarters are larger where the proportion of support staff is greater. The actual economies would be sensitive to local currency fluctuations against the US dollar.

- For technical work, e.g.: animal production and health; plant production and protection; nutrition and consumer protection; land and water; rural infrastructure and agro-

industries; or trade and marketing, the average professional grade is slightly above that of a P-4, and on average, 60% of the cost of a general service post is budgeted for every professional officer (i.e. five professionals are normally supported by three GS staff). The average overall staff cost differentials compared with headquarters for such a unit of work range from 13% (in Santiago) to 25% (Cairo).

- For functions in substantive areas requiring higher average levels of general service support, such as statistics, on average five professionals are assisted by six GS staff. The resulting staff cost differential between headquarters and decentralized structures would therefore be more pronounced.
- In the case of administrative transaction processing work, which on average involves nearly six GS staff for each professional, the cost differential compared with headquarters can be in excess of 50% if such operations were undertaken outside headquarters.

**Table 24. Relative work unit costs at headquarters and major decentralized locations (US\$'000)**

		HQ	RAF	RLC	RAP	RNE	SEUR	SFC	SFE	SEC
		Italy	Ghana	Chile	Thailand	Egypt	Hungary	Gabon	Ethiopia	Turkey
<b>Work unit – Technical</b>	<b>No. of posts</b>									
P-4	5.0	1,660	1,639	1,557	1,476	1,460	1,565	1,599	1,685	1,518
G-5	3.0	489	122	308	236	144	165	225	111	314
Total	8.0	2,150	1,761	1,865	1,712	1,604	1,731	1,824	1,796	1,832
	<i>Index(HQ=100)</i>	100	82	87	80	75	81	85	84	85
	<i>Variance from HQ (cost differential)</i>		(18)	(13)	(20)	(25)	(19)	(15)	(16)	(15)
<b>Work unit – Statistics</b>										
P-4	5.0	1,660	1,639	1,557	1,476	1,460	1,565	1,599	1,685	1,518
G-5	6.0	979	244	617	471	288	331	450	222	628
Total	11.0	2,639	1,883	2,173	1,948	1,749	1,896	2,050	1,907	2,146
	<i>Index(HQ=100)</i>	100	71	82	74	66	72	78	72	81
	<i>Variance from HQ (cost differential)</i>		(29)	(18)	(26)	(34)	(28)	(22)	(28)	(19)
<b>Work unit – Administrative transaction processing</b>										
P-4	1.0	332	328	311	295	292	313	320	337	304
G-5	5.6	914	228	576	440	269	309	420	207	586
Total	6.6	1,246	556	887	735	561	622	740	544	889
	<i>Index(HQ=100)</i>	100	45	71	59	45	50	59	44	71
	<i>Variance from HQ (cost differential)</i>		(55)	(29)	(41)	(55)	(50)	(41)	(56)	(29)

323. The decentralized structures already approved as a result of the 2005 Conference resolution on reforms, and those proposed to complete the Director-General's reforms, entail a somewhat different composition of technical and non-technical functions. The Director-General has consistently asserted that decentralized provision of inputs is a cost efficient means of

delivering FAO's programmes, and *Table 25* quantifies the biennial cost savings of new Subregional offices compared with an equivalent staffing structure at headquarters, amounting to US\$ 1.2 million for the new Subregional Office in Ethiopia and over US\$ 1.6 million for the other two in Gabon and Turkey.

**Table 25. Comparison of staff costs of new subregional offices at local and headquarters cost levels (US\$'000)**

	At local cost			At HQ cost			Difference		
	SFC	SFE	SEC	SFC	SFE	SEC	SFC	SFE	SEC
	Gabon	Ethiopia	Turkey	Gabon	Ethiopia	Turkey	Gabon	Ethiopia	Turkey
PR	3,169	3,507	3,201	3,291	3,455	3,502	(122)	52	(301)
GS	754	371	544	1,639	1,639	848	(885)	(1,268)	(304)
<b>Total</b>	<b>3,923</b>	<b>3,878</b>	<b>3,745</b>	<b>4,930</b>	<b>5,094</b>	<b>4,350</b>	<b>(1,007)</b>	<b>(1,216)</b>	<b>(605)</b>

324. Clearly, the overall cost differentials in programme delivery would be further influenced by other factors including the agreements with host governments (e.g. in the case of provision of staff free of charge), the nature of the work to be undertaken (e.g. travel to neighbouring countries or better access to local experts due to proximity can bring further economies, if compared to the same work being performed from headquarters) and indeed the quality of staff available. While by no means the only driver of a policy of increased decentralization, cost differentials are nevertheless a major determinant in achieving more efficient ways of working.

*h) Illustrative examples of integrated design of entities*

**Box 4. Programme Entity 2CP01: Secretariat of the International Plant Protection Commission (IPPC)**

The entity's objective is to develop: "*appropriate regulatory frameworks and effective national and international phytosanitary measures to prevent the spread and introduction of plant pests*". High priority has been consistently given by the Governing Bodies to the IPPC, in particular for the underlying activities of standard setting, information exchange and capacity-building, which clearly spans the continuum of normative and operational work, as illustrated through seven major outputs specified in the Revised PWB 2006-07:

1. International standards for phytosanitary measures;
2. Harmonised approaches among concerned international and regional agreements and organizations;
3. Exchange of mandatory phytosanitary information;
4. Support national phytosanitary systems;
5. Settlement of disputes; Provision of an efficient administrative framework; and
6. Support to regional FAO Phytosanitary Commissions.

While major outputs 1, 5 and 6 would involve primarily work at headquarters, major outputs 3, 4 and 7 relate primarily to work at regional, subregional and national levels. The work is performed by a total of 16 professional officers, five of whom are working full-time in the Plant Protection Service (AGPP) at headquarters, along with one-third of the time of the Service Chief. In addition, ten professional officers in the Regional and Subregional offices are to spend from 5% to 40% of their time on the programme entity. FAORs are also to be involved in outreach work at a national level. One staff member at headquarters is fully dedicated to backstopping of outreach activities through the regional and subregional officers.

International standard setting needs input from all Members to ensure that standards meet the requirements of all. Thanks to both Regular Programme and extrabudgetary resources, representatives of developing countries participate extensively in the process of drafting, commenting on and adoption of standards. Regional components are handled by regional plant protection officers. Other examples of external support and involvement from decentralized staff can be given: with the assistance of New Zealand, the Phytosanitary Capacity Evaluation (PCE) tool was developed allowing for a systematic evaluation of national capacity to protect crops and wild plants from introductions of new pests while meeting the phytosanitary requirements of trade partners; regional and subregional plant protection officers have been provided with extensive training on this tool, the standards and the Convention itself. The PCE is also widely used in national TCP projects. As a first step to improvement, the legislative framework in countries is also addressed in TCP projects. With the coming into force of the new Convention text, attention is also given to countries meeting their information exchange obligations and this is facilitated through the International Phytosanitary Portal (IPP). Subregional officers are expected to provide support to the system. In a nutshell, since 2000, some 42 TCP projects were executed that were directly related to IPPC. Other trust funds and resources from arrears helped with participation in standard setting and workshops.



### **Box 5. 2HA02: Implementation of the Code of Conduct for Responsible Fisheries (including inland fisheries and aquaculture) and related instruments**

Since its adoption in 1995 by the FAO Conference, the Code of Conduct for Responsible Fisheries has been a prime international instrument to drive rationalisation of the fisheries sector. Effective implementation of the Code and related International Plans of Action requires appropriate monitoring, dissemination and training as well as the active analysis and development of policies. Many donors or resources from the TCP have been supporting this implementation through specific regional and national projects.

The objective of the entity is: *to ensure that national and international fisheries management practices, policies and legislation better reflect principles and provisions of the Code of Conduct for Responsible Fisheries, specifically including gender concerns.*

This is to be achieved through the following Major Outputs:

1. Promoting the implementation of the Code and related instruments and monitoring and reporting, i.e. to COFI and the UN General Assembly, on progress of that implementation;
2. Dissemination of the Code, technical guidelines, International Plans of Actions and Strategies concluded within the Code's framework;
3. Support to implementation of approaches for sustainable livelihoods in fishing communities;
4. Analysis, development and promotion of policies, instruments and strategies for fostering responsible fisheries and aquaculture;
5. Monitoring and analysis of policy issues, particularly emerging issues, with implications for fisheries and aquaculture at global, regional and national levels;
6. Elaboration of international instruments and guidelines concerning fisheries and aquaculture.

Intended users are primarily policy-makers at the national level, regional fishery management organizations and other international governmental organizations. Ultimately, all fishing communities are expected to benefit, especially from output 3. A nucleus of staff in FIP supports the implementation of this entity, but interventions through local contacts, analytical work and information from outposted fisheries staff in decentralized locations are of particular relevance to outputs 2, 3, 4 and 5.

Concrete examples of inputs from outposted staff include their involvement in the preparation or execution of technical projects related to the implementation of the Code (e.g. the most recent participation of the Fisheries officer in RAF in a multi-disciplinary mission to Liberia to assess the assistance to be provided to that country). Also at the regional level, specific projects need to be coordinated with activities of the pertinent regional economic integration bodies. For instance, the development of Regional and National Plans of Action in South and Central America required inputs from the regional fisheries officer in RLC to ensure coordination with CPPS (Comisión Permanente del Pacífico Sur – Permanent Commission for the South Pacific), OSPESCA (Organización del Sector Pesquero y Acuícola del Istmo Centroamericano – Central American Organization for the fisheries and aquaculture sectors) and OLDEPESCA (Organización Latinoamericana de Desarrollo Pesquero – Latin American Organization for fisheries development) or the adequate involvement of Regional Fisheries Bodies, particularly those under the aegis of FAO, for which the regional fisheries officers provide secretariat services. This includes the fisheries officer in SAFR for SWIOFC (South West Indian Ocean Fisheries Commission), the one in RAP for APFIC (Asia-Pacific Fishery Commission); and the one in SLAC for WECAFC (Western Central Atlantic Fisheries Commission). Teams may be established locally to support national or regional activities: for instance, within the framework of the Tonle Sap project in Cambodia; or as part of the implementation of the Sustainable Fisheries for Livelihood Project (SFLP), presently financed by UK-DFID and which covers 25 West African countries.

**Box 6. 2GP02: Assessment, monitoring and reporting on forest resources products and institutions**

This new entity involves the three Divisions of the Forestry Department, to facilitate synergies by consolidating previously separate entities dealing with country-level information. It also seeks to reduce monitoring, assessment and reporting burden on countries. The objective is: *to ensure that international and national initiatives, policies, strategies and programmes are based on an improved awareness and understanding of forest and forestry trends and support sustainable forest management and sustainable use of forest products.*

Its Major Outputs have ramifications at both global and national levels as the ultimate users would comprise decision-makers and forest managers, both in government and private sector, dealing with conservation, management, investments and sustainable use of forest resources, as well as other international institutions, the general public, NGOs and academia.

The span of activities and end users is clearly conveyed by the titles of the Major Outputs, to each of which staff in decentralized locations are to contribute:

1. Implementation of the Global Forest Resources Assessment process and periodical production of global reports;
2. Statistics on production, consumption and trade of forest products;
3. Development and provision of information on national forest policy and institutions;
4. Integration of reporting processes and national communications.

The entity requires that FAO work in close collaboration with national correspondents, and support regional and subregional networks of correspondents are greatly facilitated by staff in the regional and subregional offices. Close links with other forest-related organizations are also ensured through joint questionnaires and efforts to streamline forest-related reporting processes are made with the United Nations Forum on Forests, the International Tropical Timber Organization, the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change and other members of the Collaborative Partnership on Forests. Staff at all levels may assist in these coordination efforts.

It may also be noted that work under this entity is supported by TCP projects related to the implementation of national forest assessments (current projects in Honduras, Bangladesh, Republic of Congo and Zambia), a Trust Fund project funded by Japan on: *Strengthening monitoring, assessment and reporting on sustainable forest management in Asia*, and the National Forest Programme Facility hosted by FAO. A GEF-financed project on biodiversity indicators is also relevant to achievements under this entity and discussions have been initiated with the US/NASA on global remote sensing assessment, which is relevant to the first Major Output.

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**APPENDIX**  
**List of IDWGs and PE Clusters**

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IDWGs dealing with cross-cutting issues (13 main areas, with 10 associated sub-groups)

1. Cooperation with UN entities
2. FAO as a Knowledge Organization:
  - Thematic Knowledge Networks
  - Best practices
  - Knowledge exchange (Ask FAO)
3. Regional Commissions
4. Capacity Building:
  - Training Programme on Agricultural Policies and Strategies
  - Training of Technicians for Capacity Building
  - Institution Building for agriculture and rural Development
  - Fellowships Programme
5. International Treaties and Conventions
6. Electronic Printing
7. Research and Extension
8. Management Information System
  - Finance and HR information
  - Programmes and Projects
  - Technical information systems and data bases
9. Role of Decentralized Offices and Relationship with Headquarters
10. Streamlining of Procedures and Delegation
11. Partnership Programmes
12. Technical Committees of the Council
13. Implementation and Monitoring of the Field Programme

Working groups on programme entity clusters (16 themes)

1. Crop and livestock production through GAP
2. Plant pests and animal diseases
3. Fisheries and aquaculture
4. Forest management and conservation
5. Agro-industries and rural infrastructure
6. Land, water and SARD and sustainable use of natural resources
7. Climate change
8. Food security, nutrition and livelihoods
9. Food quality and safety of products and in the food chain
10. Agricultural policy analysis
11. Global socioeconomic analysis and market assessment
12. Alliances and Communications
13. Financing of agricultural development and resources mobilization
14. Global Information and Perspective Studies
15. Statistics
16. Genetic Resources and Biodiversity

*ANNEX 3: Responsibilities and relationships of FAO's headquarters units and decentralized offices under the new operating model*

325. This Annex describes the responsibilities assigned to officers and organizational units at headquarters and the decentralized offices (DOs) under the new operating model inherent in the ongoing reform process, as well as the resulting relationships among various layers. The new operating model is designed *inter alia* to allow FAO to be more responsive to local priorities, contributing to the United Nations Country Teams, while at the same time preserving unity of purpose and coherence in addressing global problems and applying corporate priorities. Responsibilities and relationships must also be seen in the context of FAO's role as a knowledge organization, including synergy between the development and application of internationally accepted standards, methodologies and policy/regulatory frameworks on the one hand and learning from, adapting, and disseminating best practices, on the other. This calls for: (i) location-independent knowledge and expertise and the development of an appropriate rotation and mobility policy for the staff; (ii) continued investment in information systems and knowledge networks; and (iii) active partnerships with other organizations for knowledge sharing. It is noted that the Organization is developing a policy that will propose mobility and rotation in the context of career development. Rather than a policy of mandatory rotation as applied in some of the field-oriented agencies, the proposed FAO system would be based on the use of career incentives to encourage mobility, both between functions and geographic locations.

*a) Priority-based division of responsibilities*

326. A major function of FAO's governing bodies is to set corporate priorities. Within this framework, the regular and field programmes also need to address priorities at various levels, i.e. global, regional, subregional and country. In this context, the main responsibilities of headquarters and DOs can be portrayed as in the following *Table 26*.

**Table 26. Main responsibilities of headquarters and DOs**

Officer	Leads FAO's response to:	Hence, assists others to adhere to:
Assistant Director-General (ADG)/Head of Independent Office (HIO)	Corporate priorities	General guidance given by FAO's GBs and Senior Management, <i>inter alia</i> , through the PWB/Medium Term Plan (MTP) process.
ADG/Division Director (DD) *	Global priorities and technical quality standards	Discipline-specific priorities for addressing food and agriculture issues, often set in technical Council Committees (Committee on Fisheries, Committee on Agriculture, etc.) with attendant technical quality standards at all levels.
Regional Representative (RR)	Regional priorities	Region-specific priorities for FAO assistance, agreed with a number of countries in the region or between regional organizations and FAO, including in the context of Regional Conference recommendations.
Subregional Coordinator (SRC)	Subregional priorities	Subregion-specific priorities for FAO assistance agreed with a number of countries in the subregion or with subregional organizations.
FAO Representation (FAOR)	Country priorities	Agreed priorities for government/FAO collaboration through the NMTPF/UNDAF processes.

\* In some Departments (part of) these responsibilities may also be assumed by the ADG.

327. While various priority levels can and must be distinguished, they are in most cases inter-dependent. For example, global programmes (such as for combating Avian Influenza) require also energetic action at country level. Conversely, some country priorities (e.g. increased exports of agricultural products) can be addressed by lifting constraints at global level (through for instance agreements from trade negotiations). Governments in Africa address joint priorities at the regional level through the New Partnership for Africa's Development (NEPAD).

**b) Main relationships**

328. Responsibilities and relationships in a geographically dispersed organization start with delegation through classical hierarchical lines<sup>30</sup>:

- Article VII.4 of the Constitution states: “*Subject to the general supervision of the Conference and the Council, the Director-General (DG) shall have full power and authority to direct the work of the Organization*”;
- the DG delegates responsibility to the ADGs at headquarters, to HIOs, to RRs and to FAOREps;
- headquarters ADGs delegate responsibility to DDs with eventual further delegation to headquarters technical officers (in groups or singly) and regional outposted technical officers (ROTOs) in the case of technical divisions;
- the RRs delegate responsibility to the SRCs;
- the SRCs delegate responsibility to Subregional Technical Officers (STOs).

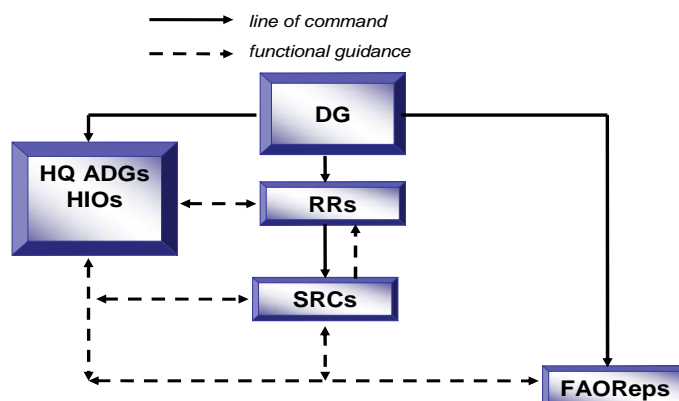
329. Even when DOs are not in the line of command of headquarters departments and Independent Offices (IOs), in implementing the approved programme of work and executing extrabudgetary projects, they have important functional responsibilities<sup>31</sup> for ensuring technical quality and applying corporate policies and procedures prescribed by the headquarters Departments in their mandated areas. Similarly, FAOREps are not in the line of command of the SRCs, but they will be members of the Multidisciplinary Team (MDT) led by the SRC. The following Figure 1 summarises the main lines of command and functional responsibilities.

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<sup>30</sup> Relationship in which: (i) the supervisor retains overall responsibility; (ii) the “supervised” is directly accountable to the supervisor for assigned responsibilities; (iii) the supervisor sets, while allowing leeway for multiple functional relationships, the main priorities for the work of the supervised.

<sup>31</sup> Responsibility resulting from a relationship outside the direct line of command between a “guiding” unit (or officer) that is responsible for setting policies, procedures, methods, standards and objectives within its mandated area and an officer/unit that is expected to comply with the prescribed policies, procedures, methods of work and standards.

## Fig 1. Main Relationships



330. Hence, FAO's accountability structure is based on both *Table 26* and *Figure 1*. ADGs and HIOs have overall responsibility for ensuring that programme entities in the Programme of Work and Budget are designed in accordance with FAO's corporate priorities, taking into account priorities at other levels. The planning and allocation of Regular Programme resources and related accountability for achieving programme entity outcomes mainly follow the line of command (with Regular Programme resources allotted to ADGs/DDs and HIOs, RRs, SRCs and FAOREps).

331. The ADG of the Technical Cooperation Department (TC) is accountable to the DG for the overall performance under the field programme and its various components. The TC department is the official entry point for requests for assistance and is in charge of resource mobilization for field programmes and projects. Responsibility for operating extrabudgetary projects is assigned by the ADG/TC to budget holders (BHs) at headquarters or any of the decentralized offices. Accountability related to the field programme therefore involves strong functional relationships with the ADG of the TC department who retains overall responsibility for the coherence, quality, content and scale of all field activities and for ensuring that programmes and projects funded by extrabudgetary sources are designed and executed in accordance with FAO's corporate policies and with donor requirements.

332. An important function of FAO Reps is to maintain an effective working relationship with countries of accreditation. Consequently, they are in the line of command of the DG with whom they generally communicate through OCD, avoiding multiple layers in communicating with the DG on policy issues. FAO Reps also report to OCD for issues concerning the management and overall performance of their office. At the same time, there are many programmatic, technical and operational aspects in the work of FAORs which do not directly affect policy concerns or corporate views of the Organization. These require unambiguous working relationships with the MDT and relevant units at headquarters. It is noted in this regard that technical departments will be represented in the MDT by their STOs.

333. A detailed overview of responsibilities and relationships is provided in *Table 27* placed at the end of this Annex.

**c) *A more responsive and effective field office network***

334. The new operating model for the field office network entails:

- a) more focused regional offices, primarily engaged in regional issues and supervising the respective subregional Offices. Regional Technical Officers are outposted from and work in the line of command of their parent division at headquarters.
- b) Subregional offices working through a networked MDT of which FAO Reps are members, as well as MDTs co-located with regional offices. The work of STOs will be equally divided between contributions to substantive programme entities (about 50 percent) and technical assistance to countries and their inter-governmental organizations (about 50 percent). In consultation with their parent technical divisions and the SRC, STOs will make proposals for their contribution to programme entities, bearing in mind the needs of the subregion. These proposals will be taken into account by the technical departments in formulating programme entities. STOs operate in the line of command of the Subregional Coordinator and receive important functional guidance from their parent Department on programme entity design and technical quality issues.
- c) Country offices focused on priorities agreed with the Government and the United Nations country team (UNCT) through the UNDAF and NMTPF processes, with FAO representatives spending on average up to 30% on MDT activities. This may imply that they travel to neighbouring countries to provide advice, or they undertake desk work in favour of other countries/organizations in the subregion. They will be reimbursed from the subregional office budget for the services rendered in favour of beneficiaries that are not in their country of accreditation.

**d) *Arrangements for coordination***

*MDTs and Subregional Management Teams (SMTs)*

335. Through the national medium-term priority framework (NMTPF) and UNDAF processes, FAO Reps seek to mobilise internal and external consensus on, and support for, the priorities jointly agreed between the government, the UNCT and FAO. Once endorsed, NMTPFs become guiding documents for all FAO units to address the concerned country's requirements.

336. Each subregional MDT is composed of the SRC, the FAO Reps (for up to 30 % of their time) and the STOs. An SMT comprising the MDT and the respective FAO Reps in the subregion, headed by the SRC, would meet periodically (at least monthly) to manage the implementation of subregional work. The FAO Reps would participate through video or audio conference, as necessary.

*Integrated Regional/Subregional Offices and their Regional Management Teams (RMTs)*

337. SROs are part of the Regional Office (RO). Consequently, the RR as the supervisor of the SRCs is the head of FAO's structure in the region and provides guidance to both headquarters and DOs in the region on how to respond to regional priorities. An RMT, to be headed by the RR and including the SRCs in the region (participating through video or audio conferencing, as necessary), could meet periodically to review pressing programmatic and managerial issues.

*Coordination of Knowledge Management*

338. Knowledge management includes benchmarking FAO's corporate approaches against evolving best practices, making the technical work of the Organization as location-independent as possible. Three Interdepartmental Working Groups (IDWGs) on Knowledge Management (thematic knowledge networks, best practices, knowledge exchange) play a key corporate role in enhancing a culture of knowledge-sharing within the Organization and in developing effective mechanisms for transferring knowledge to resolve practical problems based on user demand and needs. Presently, the GIL division coordinates knowledge management activities.

339. At one end of the spectrum, headquarters and divisions are responsible for overseeing the information and knowledge management aspects of regular and field programmes falling under their areas at all levels. These knowledge-related activities will be explicitly included in the formulation of entities and workplans and in field projects. As part of their overall responsibilities for programme and project formulation and implementation in respective areas, departments and divisions will allocate appropriate resources to knowledge exchange activities, such as knowledge networks around communities of practice and documenting best practices.

340. At the other end, ROs, SROs and FAORs ensure that FAO's knowledge management reflects the needs and priorities of countries and regions. ROTOs, MDTs and FAORs contribute to WAICENT and its components, e.g. the "Ask FAO" interactive services, thematic knowledge networks and identification of best practices, as part of a continuous process of exchange of discipline-related knowledge and information.

*Role of technical departments in assuring technical quality*

341. Headquarters departments are responsible for ensuring the technical quality of programmes and projects worldwide, compliance with FAO's corporate technical quality standards, coordination of disciplinary knowledge management and human resources planning within their technical discipline irrespective of the location of the staff. The overall responsibility for technical quality lies with the ADGs of technical department at headquarters. This responsibility is often delegated to DDs. The exact modalities for ensuring technical quality are at the discretion of the department and may depend on the particularity of the discipline, the number of decentralized officers working in the sector, the number and scope of projects, etc.

342. This leadership can be exercised more easily in relation to the technical officers who are in the line of command of the department or division, as is the case at headquarters and with ROTOs. It is more difficult to exercise for those officers who are in the line of command of heads of decentralized offices, or when a division is the lead technical unit for a project where overall responsibility for implementation of the project lies with a budget holder in a decentralized office. Therefore, technical departments can form disciplinary groups, comprising technical officers, FAORs and consultants within a given discipline at all locations, to facilitate the performance of these functions.

*Corporate arrangements*

343. Current coordination functions will be refocused on:

- facilitating consensus building and joint strategy development among respective layers to provide a solid basis for prioritization in relation to the regular and field programmes;
- analysing emerging coordination / decentralization issues (as may arise from: (i) the evolving food and agriculture and development policy agendas; and (ii) lessons learned from experience);
- enhancing institutional memory and supporting organizational learning, advising Senior Management and developing best practices and policies for coordination and decentralization;
- keeping the application of responsibilities and relationships under review and facilitating their application in accordance with Senior Management guidance.

344. Opportunities to further expand RO participation in headquarters fora through video or audio conferencing or other means will be pursued. A forum is to be established where RRs (assisted by their SRCs, as appropriate) and headquarters' ADGs/DDs and HIOs can engage in a structured dialogue on harmonizing strategies among the Organization's different layers; improving knowledge sharing and exchange; monitoring the effectiveness of coordination mechanisms; and advising Senior Management on decentralization issues.



*e) Incentives*

345. Appropriate budgetary and human resource management (including mobility / rotation) incentives will be considered to encourage and reward managers and staff at all levels. The development of an improved performance appraisal system, on which career development will be based, will allow more specific recognition of high-quality performance in staff performance appraisals due to participation in knowledge networks, interdisciplinary activities and technical advisory services.

346. The larger proportion of non-staff resources in the regular budget, in particular in DOs, will ensure that staff can offer services on a reimbursable basis from the SRO budget, using much simplified procedures established in May 2006.

Table 27. Main responsibilities and relationships

Type of officer	Line of command	Main area of responsibility	Guidance provided	Source of support
ADGs/Heads of Independent Offices (HIOs)	DG	Developing and promoting, corporate priorities. Ensuring the technical quality of FAO's projects and programmes worldwide. Formulation and implementation of programmes/projects related to corporate priorities.	<ul style="list-style-type: none"> <li>- To DDs, RRs, SRCs and FAORs on the integration of corporate priorities into global, regional, subregional and country programmes/projects.</li> </ul>	<ul style="list-style-type: none"> <li>- DD, RR, SRC and FAORs on the integration of respectively global, regional, subregional and country priorities into corporate priorities;</li> <li>- TC Department on field programme development and operational activities and BH responsibilities;</li> <li>- Other concerned technical departments in their mandated area;</li> <li>- The relevant headquarters administrative units (e.g. AFF, AFH, AFSP, SSC, etc.) for administrative policy and servicing matters;</li> <li>- PBE on programming and budgeting matters;</li> <li>- GI Department on issues concerning the mandate of that department;</li> <li>- OCD on decentralization and corporate coordination issues.</li> </ul>
Division Directors (DDs) (or ADGs in some departments)	ADG	Developing and promoting global priorities. Ensuring technical quality of projects and programmes in mandated areas. Formulation and implementation of programmes/projects related to global priorities.	<ul style="list-style-type: none"> <li>- To RRs, SRCs and FAORs on the integration of global priorities into, regional, subregional and country programmes/projects;</li> <li>- To technical staff on matters regarding training, briefing on current events, disciplinary knowledge management and disciplinary policies/strategies.</li> </ul>	<ul style="list-style-type: none"> <li>- RR, SRC and FAORs on the integration of respectively regional, subregional and country priorities into corporate and global priorities;</li> <li>- TC Department on field programme development and operational activities and BH responsibilities;</li> <li>- Other concerned technical departments in their mandated area;</li> <li>- The relevant headquarters administrative units (e.g. AFF, AFH, AFSP, SSC, etc.) for administrative policy and servicing matters;</li> <li>- PBE on programming and budgeting matters;</li> <li>- GI Department on issues concerning the mandate of that department;</li> <li>- OCD on decentralization and corporate coordination issues.</li> </ul>

Type of officer	Line of command	Main area of responsibility	Guidance provided	Source of support
Regional Representative (RRs)	DG (OCD)	Developing and promoting FAO's responses to regional priorities. Implementation of programmes/projects related to regional priorities.	<ul style="list-style-type: none"> <li>- To ROTOs on managerial and administrative issues and regional priorities;</li> <li>- To the Regional Management Team (composed of RR, SRCs, senior Field Programme Officer and eventually head of SSC subsidiary).</li> </ul>	<ul style="list-style-type: none"> <li>- TC Department on field programme development and operational activities and BH responsibilities;</li> <li>- concerned technical departments in regard of activities of SROs and FAORs in support of substantive programme entities;</li> <li>- The relevant headquarters administrative units (e.g. AFF, AFH, AFSP, SSC, etc.) for administrative policy and servicing matters;</li> <li>- PBE on programming and budgeting matters.</li> <li>- GI Department on issues concerning the mandate of that department;</li> <li>- OCD on decentralization and corporate coordination issues.</li> </ul>
Regional Outposted Technical Officers (ROTOs)	DD	Addressing regional priorities. Linking global and regional priorities.	<ul style="list-style-type: none"> <li>- To colleagues in the region on adherence to technical and policy-related quality standards</li> </ul>	<ul style="list-style-type: none"> <li>- The RR on the integration of regional priorities and underlying subregional and country priorities in work plans and programmes;</li> <li>- RR on managerial and administrative matters;</li> <li>- Project BH on matters concerning particular project technical backstopping assignments;</li> <li>- SRC on matters concerning technical support to the SRO and REIOs;</li> <li>- FAO Repts on matters concerning non-project technical support to FAORs.</li> </ul>

Type of officer	Line of command	Main area of responsibility	Guidance provided	Source of support
Subregional Coordinator (SRC)	RR	Developing and promoting subregional priorities. Implementation of programmes/projects related to subregional priorities.	<ul style="list-style-type: none"> <li>- To all units/officers in FAO on subregional priorities; to the MDT (STOs and FAOReps) for the provision of technical support to FAORs and subregional organizations.</li> </ul>	<ul style="list-style-type: none"> <li>- TC Department for field programme development and operational activities;</li> <li>- Concerned technical department for: preparation of work plans of the MDT officers; technical quality and relevance of work performed by MDT officers and resulting programme outcomes; and activities of SRO and FAORs in relation to programme entities;</li> <li>- Relevant headquarters administrative units (e.g. AFF, AFH, AFSP, SSC, etc.) for administrative policy and servicing matters;</li> <li>- PBE on programming and budgeting matters;</li> <li>- GI Department on issues concerning the mandate of that department;</li> <li>- OCD on decentralization and corporate coordination issues.</li> </ul>
Subregional Technical Officers (STOs)	SRC	Provision of technical support to FAORs, REIOs and projects (50%); Contributions of substantive programme entities (50%).	<ul style="list-style-type: none"> <li>- To MDT members on adherence to technical standards in respective areas.</li> </ul>	<ul style="list-style-type: none"> <li>- “Parent” department at headquarters for matters concerning general technical quality and impact of programme and project outcomes and for work related to programme entities both within or outside the subregion and preparation of PWB/MTP proposals;</li> <li>- Project’s BH on matters concerning particular project technical backstopping assignments;</li> <li>- FAO Rep on matters concerning FAO’s overall priorities, advocacy positions and policies in the country.</li> </ul>

Type of officer	Line of command	Main area of responsibility	Guidance provided	Source of support
FAO Representative (FAO Rep)	DG (OCD)	Assessing country priorities. Implementing programmes and projects related to country priorities.	<ul style="list-style-type: none"> <li>- To all units on country assistance priorities;</li> <li>- To all FAO staff in the country on advocacy, policy, security and general managerial issues.</li> </ul>	<ul style="list-style-type: none"> <li>- UN Resident Coordinator on common UN priorities and approaches in the country;</li> <li>- TC Department on field programme development and operational activities and for BH responsibilities;</li> <li>- Concerned technical department on disciplinary matters and for country activities in support of programme entities at the behest of the technical departments;</li> <li>- SRC on technical work (up to 30% of time) as part of the MDT;</li> <li>- Relevant AF administrative units for the performance of delegated authority for personnel, financial, procurement, information and communication technology and administrative matters;</li> <li>- GI Department on issues concerning the mandate of that department;</li> <li>- OCD on decentralization and corporate coordination issues.</li> </ul>

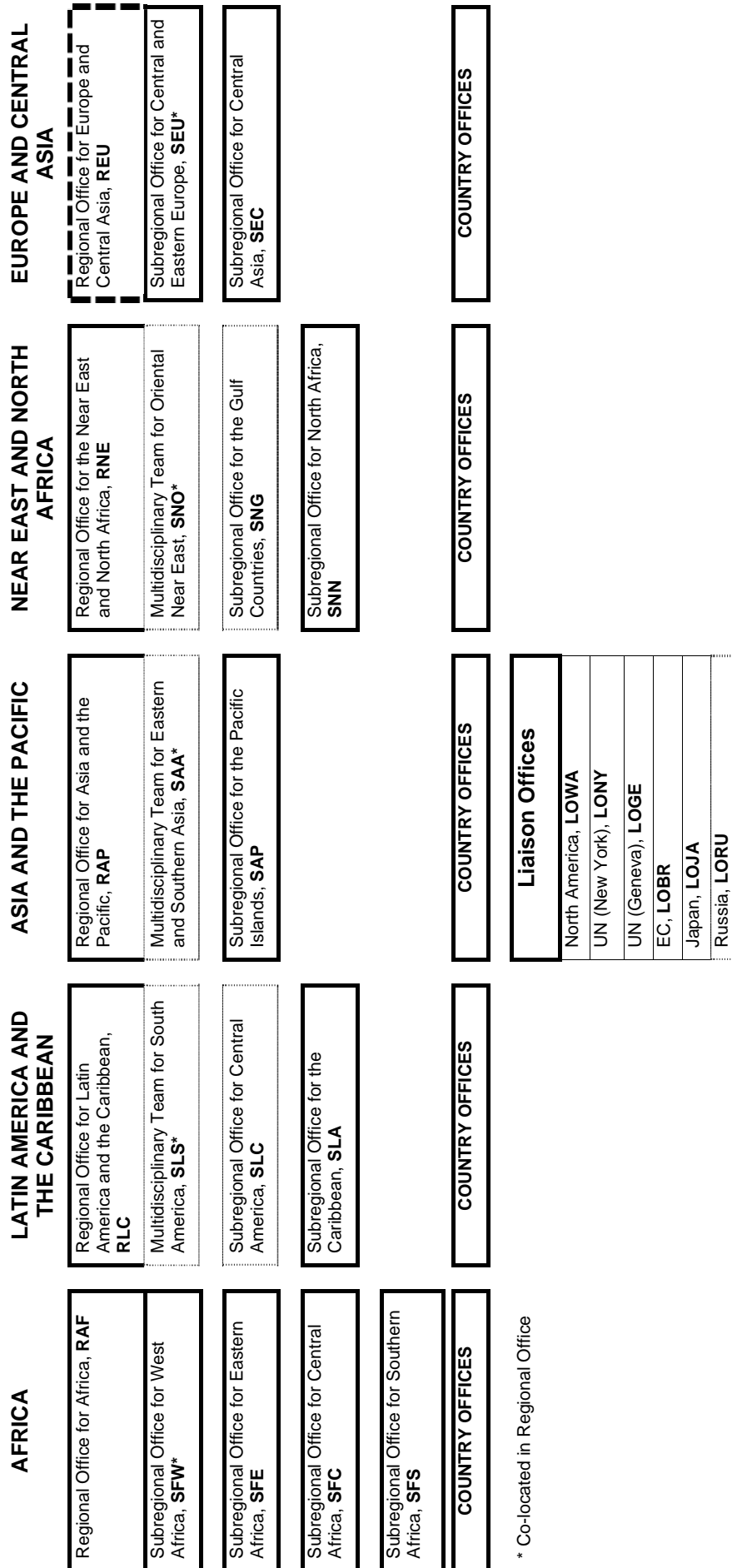
ANNEX 4: *FAO headquarters structure and FAO decentralized offices structure*

Proposed FAO headquarters structure		Office of the Inspector-General, AUD	Office of the Director-General Director-General Deputy Director-General	Legal Office, LEG
AG Agriculture and Consumer Protection Department	FO Forestry Department	FI Fisheries and Aquaculture Department	Cabinet of the Director-General	Office of Programme, Budget and Evaluation, PBE
<i>Crisis Management Centre</i>		NR Natural Resources Management and Environment Department	Office for Coordination and Decentralization Activities, OCD	AF Department of Human, Financial and Physical Resources
Animal Production and Health Division, <b>AGA</b>	Forest Economics and Policy Division, <b>FOE</b>	Land and Water Division, <b>NRL</b>	ES Economic and Social Development Department <i>International Alliance Against Hunger (IAAH)</i>	- <i>Shared Services Centre</i> - <i>Medical Service</i> - <i>Security Service</i>
Plant Production and Protection Division, <b>AGP</b>	Forest Management Division, <b>FOM</b>	Fisheries and Aquaculture Economics and Policy Division, <b>FIE</b>	Gender, Equity and Rural Employment Division, <b>ESW</b>	Finance Division, <b>AFF</b>
Nutrition and Consumer Protection Division, <b>AGN</b>	Forest Products and Industry Division, <b>FOI</b>	Fisheries and Aquaculture Management Division, <b>FIM</b>	Agricultural Development Economics Division, <b>ESA</b>	Human Resources Management Division, <b>AFH</b>
Rural Infrastructure and Agro-Industries Division, <b>AGS</b>		Fish Products and Industry Division, <b>FI</b>	Trade and Markets Division, <b>EST</b>	Administrative Services Division, <b>AFS</b>
Joint FAO/IAEA Division, <b>AGE</b>		Research and Extension Division, <b>NRR</b>	Statistics Division, <b>ESS</b>	
			Emergency Operations and Rehabilitation Division, <b>TCE</b>	Conference and Council Affairs Division, <b>KCC</b>
			Policy Assistance and Resources Mobilisation Division, <b>TCA</b>	Information Technology Division, <b>KCT</b>
			Investment Centre Division, <b>TCI</b>	Knowledge Exchange and Capacity Building Division, <b>KCE</b>
			Field Operations Division, <b>TCO</b>	Communication Division, <b>KCI</b>
			Technical Cooperation Department	Knowledge and Communication Department
			TC Technical Cooperation Department	

**FAO decentralized offices structure**

Proposed

Proposed new locations



\* Co-located in Regional Office

## ANNEX 5: Allocations at programme entity level

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
1AP01	Organization of the Conference and Council sessions and Interdepartmental Coordination of Governing Bodies sessions	6,473	0	6,473
1AP02	Regional Conferences	1,321	0	1,322
<b>1A</b>	<b>Governing bodies</b>	<b>7,794</b>	<b>0</b>	<b>7,795</b>
1BP01	Director-General's Office	7,296	0	7,296
1BP02	Legal Services Required for the Management of the Organization	2,355	0	2,355
1BP03	Support to CCLM	163	0	163
<b>1B</b>	<b>General direction</b>	<b>9,814</b>	<b>0</b>	<b>9,814</b>
1XM01	Programme Management	714	0	714
<b>1X</b>	<b>Programme Management</b>	<b>714</b>	<b>0</b>	<b>714</b>
<b>1</b>	<b>Corporate Governance</b>	<b>18,323</b>	<b>0</b>	<b>18,323</b>
2AA02	Soil Productivity and Conservation	2,454	(373)	2,081
2AA04	Conservation and Sustainable Use of Plant Genetic Resources	2,621	6	2,627
2AA05	Sustainable Intensification of Crop Production Systems through Nuclear Techniques and Biotechnology	2,089	0	2,089
2AA06	Crop Production Systems - Sustainable Intensification, Diversification, and Biodiversity	4,328	(301)	4,027
2AP01	Technical Support to the International Treaty on Plant Genetic Resources for Food and Agriculture	2,875	40	2,915
2AP03	Secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture	1,124	500	1,624
2AS01	Committee on Agriculture (COAG)	512	0	512
2AS02	Technical Services for Partnership Development, Advice, and Information Enhancement	695	(7)	688
2AS03	Technical Support Services to Members and the Field Programme	3,467	1,753	5,220
<b>2A</b>	<b>Crop production systems management</b>	<b>20,164</b>	<b>1,618</b>	<b>21,782</b>
2BA02	Sustainable Livestock Production	3,043	(89)	2,954
2BA03	Management of Animal Genetic Resources	2,307	54	2,361
2BP01	Global Livestock Information and Knowledge System	1,257	(174)	1,083
2BS01	Technical Support Services to Members and the Field Programme	1,891	1,437	3,328
<b>2B</b>	<b>Livestock production systems management</b>	<b>8,498</b>	<b>1,228</b>	<b>9,726</b>



	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
2CA02	Sustainable Intensification of Livestock Production Systems through Nuclear Techniques and Biotechnology	1,726	0	1,726
2CP01	Secretariat of the International Plant Protection Convention (IPPC)	4,656	531	5,187
2CP02	Pesticide Risk Reduction through Pesticide Management, IPM and the use of Biopesticides	3,936	37	3,973
2CP04	EMPRES - Migratory and Transboundary Invasive Plant Pests	5,226	125	5,351
2CP05	EMPRES - Progressive Control of Transboundary Animal Diseases	4,553	635	5,188
2CS01	Technical Support Services to Members and the Field Programme	3,772	2,569	6,341
<b>2C</b>	<b>Diseases and pests of animals and plants</b>	<b>23,870</b>	<b>3,897</b>	<b>27,766</b>
2DA01	Animal Product Food Safety	1,835	329	2,164
2DA05	Household Food Security, Nutrition and Livelihoods	2,822	(188)	2,634
2DA06	Food and Nutrition Education and Consumer Awareness	1,459	(128)	1,331
2DP01	Improving Food and Environmental Safety through Nuclear Techniques	1,703	0	1,703
2DP02	Nutrient Requirements and Dietary Assessment in a Transforming Food Economy	1,471	45	1,517
2DP03	Joint FAO/WHO Food Standards Programme (Codex Alimentarius)	6,932	13	6,945
2DP04	Food Quality and Safety throughout the Food Chain for Consumer Protection	2,641	116	2,757
2DP05	Provision of Scientific Advice on Food Safety	2,779	0	2,779
2DS01	Technical Support Services to Members and the Field Programme	2,054	600	2,654
<b>2D</b>	<b>Nutrition and consumer protection</b>	<b>23,695</b>	<b>788</b>	<b>24,484</b>
2EP03	Forestry Knowledge and Communication Centre	3,016	(302)	2,714
2EP04	Global Socio-economic analysis and forest sector studies	1,893	0	1,893
2EP05	Strengthening Policy, Institutional and Participatory Capacities for Forest Management and Conservation	2,462	(106)	2,356
2EP06	Support to COFO, Global and Regional Forestry Processes	2,496	(294)	2,202
2ES01	Technical Support Services to Members and the Field Programme	1,414	1,081	2,495
<b>2E</b>	<b>Forestry information, statistics, economics, and policy</b>	<b>11,277</b>	<b>383</b>	<b>11,660</b>

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
2FA06	Forest Fire Management and Forest Health	1,486	(123)	1,363
2FA07	Conservation and Rehabilitation of forests and woodlands ecosystems	2,160	418	2,578
2FP02	Sustainable Management of forests, woodlands and trees outside of forests	2,293	520	2,813
2FS01	Technical Support Services to Members and the Field Programme	2,295	1,475	3,769
<b>2F</b>	<b>Forest management, conservation and rehabilitation</b>	<b>8,233</b>	<b>2,291</b>	<b>10,523</b>
2GA01	Strengthening the Contribution of Forest Industries to Rural Development	1,347	(24)	1,323
2GP01	Best practices in forest products harvesting, utilization and appropriate industry development	2,697	(260)	2,437
2GP02	Assessment, monitoring and reporting on forest resources products and institutions	3,210	(135)	3,075
2GS01	Technical Support Services to Members and the Field Programme	1,645	1,111	2,756
<b>2G</b>	<b>Forest products and industry</b>	<b>8,899</b>	<b>692</b>	<b>9,591</b>
2HA01	Support to the Strategy for Improving Information on Status and Trends of Capture Fisheries (Strategy-STF) through FIRMS and other FIGIS Partnerships	1,038	0	1,038
2HA02	Implementation of the Code of Conduct for Responsible Fisheries (Including Inland Fisheries and Aquaculture) and Related Instruments	3,825	78	3,903
2HP01	Provision of Fisheries Information and Statistics	4,760	114	4,874
2HP04	Global socioeconomic analysis of fisheries and aquaculture and of their contribution to food security, poverty alleviation and economic growth	1,574	163	1,737
2HS02	Promotion and Strengthening of Regional Fisheries and Aquaculture Bodies and Arrangements	2,967	574	3,541
2HS03	Technical Support Services to Members and the Field Programme	2,871	1,937	4,808
2HS04	Support to COFI and associated Meetings	823	(110)	713
<b>2H</b>	<b>Fisheries and aquaculture information, statistics, economics, and policy</b>	<b>17,857</b>	<b>2,757</b>	<b>20,614</b>
2IA06	Promotion of Coastal Fisheries Management	(1)	1	0
2IP01	Monitoring, Management and Conservation of Fishery Resources	5,540	4	5,544
2IP02	Monitoring, Management and Conservation of Resources for Aquaculture Development	3,862	136	3,998

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
2IS01	Technical Support Services to Members and the Field Programme in the area of Fishery Resources	1,793	715	2,507
2IS02	Technical Support Services to Members and the Field Programme in the area of Aquaculture	1,721	604	2,325
<b>2I</b>	<b>Fisheries and aquaculture management and conservation</b>	<b>12,912</b>	<b>1,462</b>	<b>14,374</b>
2JA02	Implementation of MCS	564	(12)	552
2JA03	Capacity Building for Aquaculture and Small-Scale Fisheries Development	1,050	7	1,057
2JP01	Utilization, safety and quality of fishery products	1,628	(76)	1,552
2JP02	Fish trade and marketing	2,020	(152)	1,868
2JP03	Improving the safety of fishing operations	528	(9)	519
2JS01	Technical Support Services to Members and the Field Programme	3,459	605	4,063
<b>2J</b>	<b>Fisheries and aquaculture products and industry</b>	<b>9,248</b>	<b>364</b>	<b>9,612</b>
2KA01	Agricultural Water Use Efficiency, Quality and Conservation	4,080	301	4,381
2KA05	Land Tenure, Agrarian Reform and Access to Natural Resources	2,684	0	2,684
2KA06	Integrated Land, Water and Production Systems Policies, Planning and Management	1,638	33	1,671
2KA07	Forests and Water	1,107	(84)	1,023
2KA09	Impact of Fishing on the Environment	955	(17)	938
2KP01	Secretariat of the Commission on Genetic Resources for Food and Agriculture (CGRFA)	2,077	0	2,077
2KP02	Land and Water Knowledge Management, Information Systems, Databases and Statistics	2,476	(106)	2,371
2KP04	Economics of Natural Resources and Environmental Sustainability	1,479	(67)	1,412
2KP06	Environmental Analysis and Support to Sustainable Agriculture	1,797	0	1,797
2KP07	Climate Change Adaptation and Mitigation	1,557	0	1,557
2KP08	Fragile Ecosystems	1,144	0	1,144
2KS01	Technical Support Services to Members and the Field Programme	7,813	2,417	10,230
<b>2K</b>	<b>Sustainable natural resources management</b>	<b>28,808</b>	<b>2,478</b>	<b>31,285</b>
2LA01	Strengthening National Agricultural Research and Extension Systems	2,828	(522)	2,306

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
2LP01	Secretariat of the CGIAR Science Council	5,650	0	5,650
2LS01	Technical Support Services to Members and the Field Programme	1,534	196	1,730
<b>2L</b>	<b>Technology, research and extension</b>	<b>10,012</b>	<b>(326)</b>	<b>9,686</b>
2MA04	Fostering competitive agro-industries	6,019	(388)	5,631
2MA05	Enhancing small farmer income, employment and livelihoods	2,700	(249)	2,451
2MP02	Rural Infrastructure Development	2,229	(301)	1,928
2MS01	Technical Support Services to Members and the Field Programme	4,773	647	5,420
<b>2M</b>	<b>Rural infrastructure and agro-industries</b>	<b>15,721</b>	<b>(290)</b>	<b>15,430</b>
2XM01	Programme Management	21,003	(528)	20,474
<b>2X</b>	<b>Programme Management</b>	<b>21,003</b>	<b>(528)</b>	<b>20,474</b>
<b>2</b>	<b>Sustainable Food and Agricultural Systems</b>	<b>220,196</b>	<b>16,812</b>	<b>237,008</b>
3AP02	Financing for FAO Projects and Programmes	3,351	139	3,490
3AP03	Preparation and Formulation of National and Regional Programmes on Food Security, Agricultural and Rural Development	3,578	0	3,578
3AS01	World Bank Cooperative Programme	32,550	(816)	31,734
3AS08	Resource Mobilization for Member States	593	758	1,351
3AS12	Rome-based UN Agencies	1,061	134	1,195
3AS14	International, Regional and Subregional Financing Institutions and Bilateral Institutions	8,770	681	9,451
3AS16	Support to FAO activities	926	(114)	812
<b>3A</b>	<b>Leveraging resources and investment</b>	<b>50,829</b>	<b>782</b>	<b>51,612</b>
3BA01	Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS)	4,295	40	4,335
3BA04	Socioeconomic analysis of global perspective issues in food and agriculture	1,332	0	1,332
3BA06	Support to the Development of a Regulatory Framework for Food and Agriculture	2,126	0	2,126
3BP02	The State of Food and Agriculture	1,458	(64)	1,394
3BP05	Food Security Policy Analysis and Monitoring of the WFS goals and MDGs	1,873	(173)	1,700
3BP08	Field Programme Development	9,094	(693)	8,401
3BP10	Collection and Dissemination of Legal Information	1,276	0	1,276
3BP11	The Role of Agriculture in Economic and Social Development: Policy Analysis and Lessons Learned	2,465	(79)	2,386

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
3BS01	Servicing the Committee on World Food Security	1,099	196	1,295
3BS02	Technical Support Services to Members and the Field Programme	1,203	(5)	1,198
3BS06	Agriculture Policy Assistance	4,075	221	4,296
<b>3B</b>	<b>Food and agriculture policy</b>	<b>30,295</b>	<b>(555)</b>	<b>29,739</b>
3CA02	Support to the Multilateral Trade Negotiations and support for Implementation of Multi-Lateral Trade Negotiations	1,642	51	1,693
3CP06	Global socioeconomic analysis and market assessment of agricultural products and impact on food security	4,947	(141)	4,806
3CP07	Analysis of globalization and trade issues relevant to agricultural markets	2,685	(50)	2,635
3CP08	Support to CCP	1,490	(9)	1,481
3CS01	Technical Support Services to Members and the Field Programme	1,135	(209)	926
<b>3C</b>	<b>Trade and marketing</b>	<b>11,899</b>	<b>(358)</b>	<b>11,541</b>
3DA01	Multi-Agency Programme for Capacity Building in Food and Agricultural Statistics	558	138	696
3DP02	Global Food and Agriculture Statistics	4,888	90	4,978
3DP03	Surveys and National Statistical Information Systems	2,145	(67)	2,078
3DP04	FAOSTAT/CountrySTAT and Coordination of Statistics at FAO	2,143	140	2,283
3DS01	Technical Support Services to Members and the Field Programme	985	(69)	916
<b>3D</b>	<b>Agriculture information and statistics</b>	<b>10,719</b>	<b>232</b>	<b>10,951</b>
3EA01	Implementing Guidelines on the Right to Food in the context of National Food Security	391	27	418
3EP01	National Liaison Offices	4,638	1,248	5,886
3EP02	Corporate Framework for Effective Partnerships with civil society and private sector	798	(151)	647
3EP03	Coordination of the FAO Partnership Programmes relating to Retired Experts, TCDC/TCCT Experts, Young Professionals and Visiting Experts from Academic and Research Institutions	887	(472)	415
3EP04	Cooperation with the European Union	1,978	(189)	1,789
3ES02	The World Food Day, TeleFood and related activities	3,183	9	3,192
3ES03	The International Alliance Against Hunger	713	(215)	498
<b>3E</b>	<b>Alliances and advocacy initiatives against hunger and poverty</b>	<b>12,588</b>	<b>257</b>	<b>12,845</b>

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
3FA02	Mitigation of the Impact of Diseases in Rural Societies	1,457	(34)	1,423
3FP01	Promoting Gender Equality, Social Equity, Education and Communication in Rural Development	5,144	45	5,189
3FS01	Technical Support Services to Members and the Field Programme	2,799	148	2,947
<b>3F</b>	<b>Gender and equity in rural societies</b>	<b>9,400</b>	<b>159</b>	<b>9,559</b>
3GA02	Participatory Processes for Sustainable Rural Livelihoods	3,754	(200)	3,554
3GS02	Technical Support Services to Members and the Field Programme	365	0	365
<b>3G</b>	<b>Rural livelihoods</b>	<b>4,119</b>	<b>(200)</b>	<b>3,919</b>
3HP01	Knowledge Management and Information Dissemination (WAICENT, Ask FAO)	3,695	(29)	3,666
3HP02	Standards, Norms and Procedures for Knowledge Management and Information Dissemination (WAICENT and FAO Knowledge Forum including Ask FAO)	1,518	0	1,518
3HP03	Capacity Building, Distance Learning and Facilitation of Access to WAICENT and the FAO Knowledge Forum, including Ask FAO	2,408	(180)	2,228
3HP04	Library and Virtual Library Services, AGORA and other Information Collections	3,290	311	3,601
3HP05	Global Information and Early Warning System on Food and Agriculture	6,380	181	6,561
3HP06	Acquisition of Books and Journals on Line, International Programmes for Digitalization of Agriculture Books and Journals	1,978	0	1,978
3HP07	Knowledge Networks, Internal and External	2,128	(6)	2,122
3HS02	Capacity Building including Fellowships, Internships, High-level Training in Policies, Institution Building	855	0	855
<b>3H</b>	<b>Knowledge exchange and capacity building</b>	<b>22,251</b>	<b>278</b>	<b>22,529</b>
3IP02	IT Systems Concept and Development	6,138	0	6,138
3IP05	Information and Communications Technology Infrastructure Services Support	9,380	0	9,380
3IP06	Support in the use of IT services	5,079	955	6,034
3IP07	Knowledge Management Systems Support	2,578	0	2,578
3IP08	Management Information Systems Support	5,777	0	5,777
<b>3I</b>	<b>Information technology systems</b>	<b>28,952</b>	<b>955</b>	<b>29,907</b>

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
3JP01	Programme for the Improvement of Language Coverage	2,048	0	2,048
3JP03	Electronic Publishing Policy and Support	4,474	(208)	4,266
3JS01	Multilingual communication, media promotion and cooperation	11,547	(944)	10,603
<b>3J</b>	<b>Communication and public information</b>	<b>18,069</b>	<b>(1,152)</b>	<b>16,917</b>
3XM01	Programme Management	20,312	(1,071)	19,241
<b>3X</b>	<b>Programme Management</b>	<b>20,312</b>	<b>(1,071)</b>	<b>19,241</b>
<b>3</b>	<b>Knowledge Exchange, Policy and Advocacy</b>	<b>219,433</b>	<b>(672)</b>	<b>218,761</b>
4AP04	FAO Participation in cooperation with United Nations and Intergovernmental Organizations at corporate level	8,748	49	8,797
4AP05	FAO Participation in cooperation with United Nations at field level	5,164	(273)	4,891
<b>4A</b>	<b>UN cooperation, integration and monitoring</b>	<b>13,912</b>	<b>(224)</b>	<b>13,688</b>
4BP02	Coordination and Decentralization Policy	1,920	472	2,392
4BP03	Oversight, Operations and Management Support to the Decentralized Offices	4,867	(312)	4,555
4BS01	FAOR support to Knowledge Management, Networking and Advocacy	13,519	(314)	13,205
<b>4B</b>	<b>Coordination of decentralized services</b>	<b>20,306</b>	<b>(154)</b>	<b>20,152</b>
4CA01	Field programme Coordination, Monitoring, Inspection and Reporting	4,538	0	4,538
4CP01	Management and Coordination - SPFS/NPFS/RPFS/SSC/pro-poor small projects	7,816	0	7,816
4CP05	Analysis of Country and Regional Information on Agricultural Development and its Economic, Social and Political Context	4,384	70	4,454
4CP06	Regional field programme operations and monitoring	3,792	965	4,757
4CS07	FAOR support to National Development and Emergencies/Rehabilitation	65,562	(2,620)	62,942
<b>4C</b>	<b>Food security, poverty reduction and other development cooperation programmes</b>	<b>86,092</b>	<b>(1,585)</b>	<b>84,507</b>
4DS01	Implementation of Emergency Programme	15,228	0	15,228
4DS02	Disaster preparedness, Mitigation and Support to Emergency and Rehabilitation Programme	610	0	610
<b>4D</b>	<b>Emergency and post crisis management</b>	<b>15,838</b>	<b>0</b>	<b>15,838</b>
4EP01	Technical Cooperation Programme	98,780	348	99,128

	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
4ES01	Programme Management, Monitoring and Coordination of the TCP	4,770	(348)	4,422
<b>4E</b>	<b>Technical Cooperation Programme</b>	<b>103,550</b>	<b>0</b>	<b>103,550</b>
4XM01	Programme Management	13,898	(3,291)	10,607
<b>4X</b>	<b>Programme Management</b>	<b>13,898</b>	<b>(3,291)</b>	<b>10,607</b>
<b>4</b>	<b>Decentralization, UN Cooperation and Programme Delivery</b>	<b>253,596</b>	<b>(5,253)</b>	<b>248,342</b>
5AP01	External Audit	925	0	925
5AP02	Internal Audit, Inspection and Monitoring of the Organization's System of Internal Control and Financial Management	6,654	343	6,997
5AP03	Independent Evaluation	3,681	34	3,715
<b>5A</b>	<b>Oversight</b>	<b>11,260</b>	<b>377</b>	<b>11,637</b>
5BP01	Support to results-based programme planning, budgeting, implementation monitoring and reporting	5,806	0	5,806
5BS02	Support to multi-disciplinary action	1,207	0	1,207
<b>5B</b>	<b>Programme and budget services</b>	<b>7,013</b>	<b>0</b>	<b>7,013</b>
5CP01	Central Accounting and Financial Reporting	7,557	1,799	9,356
5CP02	Financial Operations and Systems	8,749	(734)	8,015
5CP03	Treasury Operations	1,574	0	1,574
<b>5C</b>	<b>Financial services</b>	<b>17,880</b>	<b>1,065</b>	<b>18,945</b>
5DP01	Health and Medical Services	2,837	(63)	2,774
5DP02	Human Resources Legal Services	1,290	(34)	1,256
5DP03	Human Resources Policy, Planning and Inter-Agency Activities	5,028	(41)	4,988
5DP04	Organizational Development and Staffing	4,069	(60)	4,009
5DP05	Staff Development and Learning Services	2,085	(133)	1,952
5DP06	Provision of Social Security Services	1,503	(60)	1,443
<b>5D</b>	<b>Human resources management and staff welfare</b>	<b>16,812</b>	<b>(390)</b>	<b>16,421</b>
5EP01	Procurement	8,901	(955)	7,946
<b>5E</b>	<b>Procurement</b>	<b>8,901</b>	<b>(955)</b>	<b>7,946</b>
5FP01	Provision of Central Records Services	7,581	616	8,197
5FP02	Facilities Management Services	25,874	4,685	30,559
<b>5F</b>	<b>Management of premises</b>	<b>33,454</b>	<b>5,301</b>	<b>38,756</b>
5GP01	Official Correspondence	1,723	0	1,723
5GP02	Programming of meetings at Headquarters and in the Field	1,559	0	1,559
5GP03	Provision and monitoring of FAO language services	1,974	0	1,974
5GP04	Protocol Services and Liaison with Permanent Representatives	2,625	0	2,625
<b>5G</b>	<b>Meetings and language services and protocol</b>	<b>7,882</b>	<b>0</b>	<b>7,882</b>



	Programme	2006-07 Revised Programme of Work	Programme Change	2006-07 Further Proposals Programme of Work
5HP01	Provision of Management Support Services	19,641	(1,890)	17,751
<b>5H</b>	<b>Shared services</b>	<b>19,641</b>	<b>(1,890)</b>	<b>17,751</b>
5XM01	Programme Management	7,865	68	7,933
<b>5X</b>	<b>Programme Management</b>	<b>7,865</b>	<b>68</b>	<b>7,933</b>
<b>5</b>	<b>Management and Supervision Services</b>	<b>130,708</b>	<b>3,576</b>	<b>134,284</b>
6AP01	Contingencies	600	0	600
<b>6A</b>	<b>Contingencies</b>	<b>600</b>	<b>0</b>	<b>600</b>
<b>6</b>	<b>Contingencies</b>	<b>600</b>	<b>0</b>	<b>600</b>
8AA02	Corporate Administrative Applications	1,950	0	1,950
8AA03	Server Software and Client Access Licenses for HQ and ROs	500	0	500
8AA04	IT Support to Meetings	575	0	575
8AA05	Human Resources Management System Project (HRMS)	9,250	0	9,250
8AA06	Field Accounting System Replacement Project	500	0	500
8AA07	Electronic Document Management System	800	0	800
<b>8A</b>	<b>Capital Expenditure</b>	<b>13,575</b>	<b>0</b>	<b>13,575</b>
<b>8</b>	<b>Capital Expenditure</b>	<b>13,575</b>	<b>0</b>	<b>13,575</b>
9AP02	Safeguarding of FAO personnel, assets and operations in Headquarters	7,989	0	7,989
<b>9A</b>	<b>Headquarters security</b>	<b>7,989</b>	<b>0</b>	<b>7,989</b>
9BP01	Safeguarding of personnel, assets and operations in field locations and provision of security equipment to FAO Representations	7,091	0	7,091
9BP02	Provision of security equipment to FAO decentralized offices other than the FAORs	727	0	727
9BP03	FAO participation in joint UN system undertakings to strengthen field security	297	0	297
9BP04	FAO financial contribution to the UN unified security management system	4,340	0	4,340
<b>9B</b>	<b>Field security</b>	<b>12,455</b>	<b>0</b>	<b>12,455</b>
<b>9</b>	<b>Security Expenditure</b>	<b>20,444</b>	<b>0</b>	<b>20,444</b>
<b>Total</b>		<b>876,873</b>	<b>14,463</b>	<b>891,337</b>

## ANNEX 6: Allocations by organizational unit

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
ODG	Office of the Director-General	7,846	0	7,846	1,331	0	1,331	9,177	0	9,177
OFA	Office of the World Food Summit Follow-up and Alliances	4,481	27	4,454	-4,481	-27	-4,454	0	0	0
UNC (ex SAD)	Office of UN Coordination and MDG Follow-up	2,389	0	2,389	297	0	297	2,686	0	2,686
AUD	Office of the Inspector-General	5,508	105	5,403	347	0	347	5,855	105	5,750
LEG	Legal Office	5,887	503	5,384	0	0	0	5,887	503	5,384
PBE	Office of Programme, Budget and Evaluation	12,966	526	12,440	34	34	0	13,000	560	12,440
OCD	Office for Coordination and Decentralization Activities	7,071	0	7,071	0	0	0	7,071	0	7,071
<b>ODG</b>	<b>Office of the Director-General</b>	<b>46,149</b>	<b>1,161</b>	<b>44,988</b>	<b>-2,472</b>	<b>7</b>	<b>-2,479</b>	<b>43,677</b>	<b>1,168</b>	<b>42,509</b>
AGD	Office of Assistant Director-General	5,479	0	5,479	-679	0	-679	4,800	0	4,800
AGA	Animal Production and Health Division	14,107	401	13,706	296	114	182	14,403	515	13,888
AGE	Joint FAO/IAEA Division	5,518	0	5,518	0	0	0	5,518	0	5,518
AGL	Land and Water Development Division	11,877	533	11,344	-11,877	-533	-11,344	0	0	0
AGN	Nutrition and Consumer Protection Division	18,599	1,375	17,224	23	29	-6	18,622	1,404	17,218

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
AGP	Plant Production and Protection Division	21,898	390	21,508	2,980	100	2,880	24,878	490	24,388
AGS	Agricultural Support Systems Division	12,731	205	12,526	-195	104	-299	12,536	309	12,227
<b>AG</b>	<b>Agriculture and Consumer Protection Department</b>	<b>90,209</b>	<b>2,904</b>	<b>87,305</b>	<b>-9,453</b>	<b>-186</b>	<b>-9,267</b>	<b>80,757</b>	<b>2,718</b>	<b>78,039</b>
ESD	Office of Assistant Director-General	4,977	145	4,832	-2,577	-145	-2,432	2,400	0	2,400
ESA	Agricultural Development Economics Division	9,798	567	9,231	2,900	268	2,632	12,698	835	11,863
ESC	Commodities and Trade	18,577	320	18,257	-18,577	-320	-18,257	0	0	0
ESS	Statistics Division	11,572	60	11,512	-227	0	-227	11,345	60	11,285
EST	Trade and Markets	0	0	0	17,770	338	17,432	17,770	338	17,432
ESW	Gender, Equity and Rural Employment Division	0	0	0	9,002	570	8,432	9,002	570	8,432
<b>ES</b>	<b>Economic and Social Development Department</b>	<b>44,924</b>	<b>1,092</b>	<b>43,832</b>	<b>8,291</b>	<b>711</b>	<b>7,580</b>	<b>53,215</b>	<b>1,803</b>	<b>51,412</b>
<b>FI</b>	<b>Fisheries and Aquaculture Department</b>	<b>38,444</b>	<b>1,874</b>	<b>36,570</b>	<b>164</b>	<b>221</b>	<b>-57</b>	<b>38,608</b>	<b>2,095</b>	<b>36,513</b>
<b>FO</b>	<b>Forestry Department</b>	<b>25,179</b>	<b>388</b>	<b>24,791</b>	<b>-185</b>	<b>113</b>	<b>-298</b>	<b>24,994</b>	<b>501</b>	<b>24,493</b>
SDD	Office of Assistant Director-General	8,827	4,050	4,777	-8,827	-4,050	-4,777	0	0	0
SDA	Rural Development Division	8,177	192	7,985	-8,177	-192	-7,985	0	0	0
SDR	Research, Extension and Training Division	8,349	480	7,869	-8,349	-480	-7,869	0	0	0

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
SDW	Gender and Population Division	8,234	422	7,812	-8,234	-422	-7,812	0	0	0
<b>SD</b>	<b>Sustainable Development Department</b>	<b>33,587</b>	<b>5,144</b>	<b>28,443</b>	<b>-33,587</b>	<b>-5,144</b>	<b>-28,443</b>	<b>0</b>	<b>0</b>	<b>0</b>
TCD	Office of Assistant Director-General	5,533	32	5,501	-646	87	-733	4,887	119	4,768
TCA	Policy Assistance and Resources Mobilization Division	11,599	75	11,524	-345	0	-345	11,254	75	11,179
TCI	Investment Centre Division	44,798	25,170	19,628	-2,849	-600	-2,249	41,949	24,570	17,379
TCE	Emergency Operations and Rehabilitation Division	16,359	15,536	823	0	0	0	16,359	15,536	823
TCO	Field Operations Division	21,074	626	20,448	-348	0	-348	20,726	626	20,100
TCP	Technical Cooperation Programme	98,780	0	98,780	348	0	348	99,128	0	99,128
<b>TC</b>	<b>Technical Cooperation Department</b>	<b>198,144</b>	<b>41,439</b>	<b>156,705</b>	<b>-3,840</b>	<b>-513</b>	<b>-3,327</b>	<b>194,304</b>	<b>40,926</b>	<b>153,378</b>
AFD	Office of Assistant Director-General	18,690	622	18,068	-7,151	0	-7,151	11,539	622	10,917
AFI	Information Systems and Technology Division	29,483	0	29,483	-29,483	0	-29,483	0	0	0
AFF	Finance Division	19,089	652	18,437	-826	0	-826	18,263	652	17,611
AFH	Human Resources Management Division	13,704	1,031	12,673	-253	0	-253	13,451	1,031	12,420
AFS	Administrative Services Division	36,621	1,616	35,005	-3,384	0	-3,384	33,237	1,616	31,621

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
<b>AF</b>	<b>Department of Human, Financial and Physical Resources</b>	<b>117,588</b>	<b>3,921</b>	<b>113,667</b>	<b>-41,097</b>	<b>0</b>	<b>-41,097</b>	<b>76,490</b>	<b>3,921</b>	<b>72,569</b>
NRD	Office of Assistant Director-General	0	0	0	2,983	73	2,910	2,983	73	2,910
NRC	Environment, Climate Change and Bioenergy Division	0	0	0	9,290	535	8,755	9,290	535	8,755
NRL	Land and Water Division	0	0	0	12,016	587	11,429	12,016	587	11,429
NRR	Technology Research and Extension Division	0	0	0	10,985	4,091	6,894	10,985	4,091	6,894
<b>NR</b>	<b>Natural Resources Management and Environment Department</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,274</b>	<b>5,286</b>	<b>29,988</b>	<b>35,274</b>	<b>5,286</b>	<b>29,988</b>
GID	Office of Assistant Director-General	1,557	0	1,557	-1,557	0	-1,557	0	0	0
GIC	Conference, Council and Protocol Affairs Division	15,115	126	14,989	-15,115	-126	-14,989	0	0	0
GII	Information Division	16,405	0	16,405	-16,405	0	-16,405	0	0	0
GIL	Library and Documentation Systems Division	14,586	58	14,528	-14,586	-58	-14,528	0	0	0
<b>GI</b>	<b>General Affairs and Information Department</b>	<b>47,663</b>	<b>184</b>	<b>47,479</b>	<b>-47,663</b>	<b>-184</b>	<b>-47,479</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FAOR</b>	<b>FAO Representations</b>	<b>88,236</b>	<b>10,149</b>	<b>78,086</b>	<b>1,285</b>	<b>1,458</b>	<b>-173</b>	<b>89,521</b>	<b>11,607</b>	<b>77,914</b>
<b>LO</b>	<b>Liaison Offices</b>	<b>12,919</b>	<b>769</b>	<b>12,150</b>	<b>1,292</b>	<b>0</b>	<b>1,292</b>	<b>14,211</b>	<b>769</b>	<b>13,442</b>
KCD	Office of Assistant Director-General	0	0	0	1,608	0	1,608	1,608	0	1,608

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
KCC	Conference and Council Affairs Division	0	0	0	15,115	126	14,989	15,115	126	14,989
KCE	Knowledge Exchange and Capacity Building Division	0	0	0	14,883	58	14,825	14,883	58	14,825
KCI	Communication Division	0	0	0	18,747	0	18,747	18,747	0	18,747
KCT	Information Technology Division	0	0	0	30,477	0	30,477	30,477	0	30,477
<b>KC</b>	<b>Knowledge and Communication Department</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,830</b>	<b>184</b>	<b>80,646</b>	<b>80,830</b>	<b>184</b>	<b>80,646</b>
RAF	Regional Office for Africa (Accra)	11,279	958	10,321	136	73	63	11,415	1,031	10,384
SFW	Subregional Office for West Africa	4,965	188	4,777	-292	400	-692	4,673	588	4,085
RAP	Regional Office for Asia and the Pacific (Bangkok)	18,772	1,595	17,177	-4,971	-544	-4,427	13,801	1,051	12,750
SAA	Multidisciplinary team for Eastern and Southern Asia	0	0	0	6,478	488	5,990	6,478	488	5,990
REU	Regional Office for Europe (Rome)	4,522	320	4,202	48	190	-142	4,570	510	4,060
SEU	Subregional Office for Central and Eastern Europe (including SSC hub)	0	0	0	10,471	475	9,996	10,471	475	9,996
RLC	Regional Office for Latin America and the Caribbean (Santiago)	15,608	1,274	14,334	-2,347	441	-2,788	13,261	1,715	11,546

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
SLS	Multidisciplinary team for South America	0	0	0	5,166	188	4,978	5,166	188	4,978
RNE	Regional Office for the Near East (Cairo)	11,440	731	10,709	-1,927	370	-2,297	9,513	1,101	8,412
SNO	Multidisciplinary team for Oriental Near East	0	0	0	3,395	388	3,007	3,395	388	3,007
<b>RO</b>	<b>Regional Offices and Co-located MDTs</b>	<b>66,586</b>	<b>5,066</b>	<b>61,520</b>	<b>16,157</b>	<b>2,469</b>	<b>13,688</b>	<b>82,743</b>	<b>7,535</b>	<b>75,208</b>
SFS	Subregional Office for Southern Africa	6,816	230	6,586	-449	403	-852	6,367	633	5,734
SFC	Subregional Office for Central Africa	5,687	165	5,522	-431	300	-731	5,256	465	4,791
SEC	Subregional Office for Central Asia	5,856	165	5,691	-253	600	-853	5,603	765	4,838
SFE	Subregional Office for Eastern Africa	6,308	175	6,133	-603	300	-903	5,705	475	5,230
SAPA	Subregional Office for the Pacific Islands	2,779	33	2,746	-2,779	-33	-2,746	0	0	0
SEUR	Subregional Office for Central and Eastern Europe	2,841	0	2,841	-2,841	0	-2,841	0	0	0
SLAC	Subregional Office for the Caribbean	4,437	66	4,371	-4,437	-66	-4,371	0	0	0
SNEA	Subregional Office for North Africa	3,536	25	3,511	-3,536	-25	-3,511	0	0	0
SNN	Subregional Office for North Africa	0	0	0	5,222	475	4,747	5,222	475	4,747
SLC	Subregional Office for Central America	0	0	0	5,560	475	5,085	5,560	475	5,085

Org Unit/ Dept	Description	2006-07 Revised			Programme Change			2006-07 Further Proposals		
		Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation	Programme of Work	Less: Income	Appropriation
SNG	Subregional Office for the Gulf Countries	0	0	0	4,198	475	3,723	4,198	475	3,723
SLA	Subregional Office for the Caribbean	0	0	0	5,092	392	4,700	5,092	392	4,700
SAP	Subregional Office for the Pacific Islands	0	0	0	4,789	376	4,413	4,789	376	4,413
SO	Sub Regional Offices in other locations*	38,260	859	37,401	9,532	3,672	5,860	47,792	4,531	43,261
AOS	Income	-5,634	27,372	-33,006	-65	6,369	-6,434	-5,699	33,741	-39,440
CONT	Contingencies	600	0	600	0	0	0	600	0	600
8	Capital Expenditure	13,575	8,851	4,724	0	0	0	13,575	8,851	4,724
9	Security Expenditure	20,444	0	20,444	0	0	0	20,444	0	20,444
<b>Total</b>		<b>876,873</b>	<b>111,173</b>	<b>765,700</b>	<b>14,463</b>	<b>14,463</b>	<b>0</b>	<b>891,337</b>	<b>125,636</b>	<b>765,700</b>

\* As the acronyms SAPA, SEUR, SLAC and SNEA were used in the Revised PWB, they have been left in this and the following Annex 7, so that cross-reference is possible with the latter document. The corresponding new acronyms are SAP, SEU, SLA and SNN.



*ANNEX 7: Post establishment by category and organizational unit***Table 28. Revised PWB 2006-07 Establishment by grade and unit**

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
ODG	4.0	9.0	13.0		18.0	31.0
SAD	2.0	2.0	4.0		5.0	9.0
OCD	3.0	10.0	13.0		17.0	30.0
OFA	2.0	7.0	9.0		4.0	13.0
AUD	2.0	13.0	15.0		4.0	19.0
LEG	3.0	9.0	12.0		8.0	20.0
PBE	3.0	19.0	22.0		8.0	30.0
AGD	3.0	3.0	6.0		8.0	14.0
AGA	3.0	23.0	26.0		12.0	38.0
AGE	1.0	5.0	6.0			6.0
AGL	2.0	19.0	21.0		12.0	33.0
AGN	3.0	27.0	30.0		19.0	49.0
AGP	4.0	36.0	40.0		21.0	61.0
AGS	3.0	23.0	26.0		14.0	40.0
ESD	2.0	7.0	9.0		6.0	15.0
ESA	4.0	15.0	19.0		11.0	30.0
ESC	4.0	36.0	40.0		28.0	68.0
ESS	3.0	20.0	23.0		27.0	50.0
FID	2.0	12.0	14.0		23.0	37.0
FII	3.0	16.0	19.0		9.0	28.0
FIP	2.0	15.0	17.0		9.0	26.0
FIR	3.0	21.0	24.0		13.0	37.0
FOD	1.0	1.0	2.0		5.0	7.0
FON	3.0	8.0	11.0		9.0	20.0
FOP	3.0	14.0	17.0		10.0	27.0
FOR	3.0	13.0	16.0		5.0	21.0
SDD	2.0	11.0	13.0		14.0	27.0
SDA	3.0	13.0	16.0		8.0	24.0
SDR	3.0	16.0	19.0		9.0	28.0
SDW	1.0	17.0	18.0		6.0	24.0
TCD	1.0	7.0	8.0		16.0	24.0
TCA	4.0	21.0	25.0		16.0	41.0
TCE	2.0		2.0			2.0
TCI	8.0	64.0	72.0		33.0	105.0
TCO	4.0	27.0	31.0		27.0	58.0
AFD	4.0	19.0	23.0		131.0	154.0
AFF	3.0	35.0	38.0		37.0	75.0
AFH	3.0	21.0	24.0		35.5	59.5
AFI	3.0	47.0	50.0	4.0	40.5	94.5
AFS	2.0	16.0	18.0		79.0	97.0
GID	1.0	1.0	2.0		3.0	5.0
GIC	2.0	41.0	43.0		59.0	102.0
GII	1.0	27.0	28.0		28.0	56.0

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
GIL	2.0	34.0	36.0		19.0	55.0
FAOR	37.0	39.0	76.0	164.0	471.0	711.0
LOBR	1.0	2.0	3.0		1.0	4.0
LOGE	1.0	4.0	5.0		4.0	9.0
LONY	1.0	3.0	4.0		5.0	9.0
LOJA	1.0	1.0	2.0		1.0	3.0
LOWA	1.0	3.0	4.0		11.0	15.0
RAF	1.0	19.0	20.0		51.0	71.0
RAP	2.0	38.0	40.0		71.0	111.0
REU	2.0	7.0	9.0		6.0	15.0
RLC	2.0	29.0	31.0		46.0	77.0
RNE	2.0	23.0	25.0		47.0	72.0
SEC	1.0	8.0	9.0	3.0	13.0	25.0
SFC	1.0	8.0	9.0	3.0	13.0	25.0
SFE	1.0	9.0	10.0	3.0	13.0	26.0
SFS	1.0	10.0	11.0	3.0	13.0	27.0
SFW	1.0	8.0	9.0	1.0	5.0	15.0
SAPA	1.0	6.0	7.0		7.0	14.0
SEUR	1.0	6.0	7.0		8.0	15.0
SLAC	1.0	9.0	10.0		9.0	19.0
SNEA	1.0	7.0	8.0		11.0	19.0
<b>Total</b>	<b>180.0</b>	<b>1,039.0</b>	<b>1,219.0</b>	<b>181.0</b>	<b>1,672.0</b>	<b>3,072.0</b>

**Table 29. PWB 2006-07 Further proposals (changes by grade and unit)**

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
ODG	1.0	1.0	2.0		2.0	4.0
UNC (ex SAD)		1.0	1.0			1.0
OFA	(2.0)	(7.0)	(9.0)		(4.0)	(13.0)
AGD	(1.0)		(1.0)		(1.0)	(2.0)
AGA		1.0	1.0			1.0
AGL	(2.0)	(19.0)	(21.0)		(12.0)	(33.0)
AGP		5.0	5.0		3.0	8.0
AGS		(1.0)	(1.0)			(1.0)
ESD	(1.0)	(5.0)	(6.0)		(1.0)	(7.0)
ESA	1.0	5.0	6.0		1.0	7.0
ESC	(4.0)	(36.0)	(40.0)		(28.0)	(68.0)
ESS		(2.0)	(2.0)			(2.0)
EST	4.0	33.0	37.0		28.0	65.0
ESW	2.0	15.0	17.0		6.0	23.0
FID	(1.0)	(11.0)	(12.0)		(17.0)	(29.0)
FIE	3.0	26.0	29.0		26.0	55.0
FIM	3.0	21.0	24.0		13.0	37.0
FIP	(2.0)	(15.0)	(17.0)		(9.0)	(26.0)
FIR	(3.0)	(21.0)	(24.0)		(13.0)	(37.0)
FOE	4.0	13.0	17.0		9.0	26.0
FOI	2.0	11.0	13.0		11.0	24.0
FOM	3.0	10.0	13.0		4.0	17.0
FON	(3.0)	(8.0)	(11.0)		(9.0)	(20.0)
FOP	(3.0)	(14.0)	(17.0)		(10.0)	(27.0)
FOR	(3.0)	(13.0)	(16.0)		(5.0)	(21.0)
NRD	1.0	2.0	3.0		9.0	12.0
NRC	3.0	18.0	21.0		10.0	31.0
NRL	3.0	18.0	21.0		12.0	33.0
NRR	3.0	18.0	21.0		11.0	32.0
SDD	(2.0)	(11.0)	(13.0)		(14.0)	(27.0)
SDA	(3.0)	(13.0)	(16.0)		(8.0)	(24.0)
SDR	(3.0)	(16.0)	(19.0)		(9.0)	(28.0)
SDW	(1.0)	(17.0)	(18.0)		(6.0)	(24.0)
TCD		(2.0)	(2.0)		(1.0)	(3.0)
TCA		(1.0)	(1.0)			(1.0)

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
TCI		(6.0)	(6.0)		(1.0)	(7.0)
TCO		(1.0)	(1.0)			(1.0)
AFD					(51.0)	(51.0)
AFF		(5.0)	(5.0)		(6.0)	(11.0)
AFI	(3.0)	(47.0)	(50.0)	(4.0)	(40.5)	(94.5)
AFS		(2.0)	(2.0)		(8.0)	(10.0)
GID	(1.0)	(1.0)	(2.0)		(3.0)	(5.0)
GIC	(2.0)	(41.0)	(43.0)		(59.0)	(102.0)
GII	(1.0)	(27.0)	(28.0)		(28.0)	(56.0)
GIL	(2.0)	(34.0)	(36.0)		(19.0)	(55.0)
KCD	1.0	1.0	2.0		3.0	5.0
KCC	2.0	41.0	43.0		59.0	102.0
KCE	2.0	35.0	37.0		19.0	56.0
KCI	1.0	33.0	34.0		31.0	65.0
KCT	3.0	50.0	53.0	4.0	40.5	97.5
FAOR				(2.0)		(2.0)
LORU	1.0	1.0	2.0		1.0	3.0
RAF				1.0	(18.0)	(17.0)
RAP	(1.0)	(17.0)	(18.0)	1.0	(21.0)	(38.0)
REU	(1.0)	1.0			1.0	1.0
RLC	(1.0)	(11.0)	(12.0)	1.0	(3.0)	(14.0)
RNE	(1.0)	(8.0)	(9.0)	1.0	(21.0)	(29.0)
SAA	1.0	13.0	14.0	2.0	5.0	21.0
SAP	1.0	6.0	7.0	3.0	12.0	22.0
SEC		(1.0)	(1.0)		(1.0)	(2.0)
SEU*	1.0	15.0	16.0	3.0	77.0	96.0
SFC		(1.0)	(1.0)		(1.0)	(2.0)
SFE		(1.0)	(1.0)		(1.0)	(2.0)
SFS		(1.0)	(1.0)		(1.0)	(2.0)
SFW		(1.0)	(1.0)			(1.0)
SLA	1.0	6.0	7.0	3.0	12.0	22.0
SLC	1.0	7.0	8.0	3.0	12.0	23.0
SLS	1.0	9.0	10.0	1.0	5.0	16.0
SNG	1.0	5.0	6.0	3.0	12.0	21.0
SNN	1.0	7.0	8.0	3.0	12.0	23.0
SNO	1.0	5.0	6.0	1.0	5.0	12.0
SAPA	(1.0)	(6.0)	(7.0)		(7.0)	(14.0)

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
SEUR	(1.0)	(6.0)	(7.0)		(8.0)	(15.0)
SLAC	(1.0)	(9.0)	(10.0)		(9.0)	(19.0)
SNEA	(1.0)	(7.0)	(8.0)		(11.0)	(19.0)
<b>Total</b>	<b>1.0</b>	<b>(12.0)</b>	<b>(11.0)</b>	<b>24.0</b>	<b>(13.0)</b>	

**Table 30. PWB 2006-07 Further proposals (establishment by grade and unit)**

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
ODG	5.0	10.0	15.0		20.0	35.0
UNC (ex SAD)	2.0	3.0	5.0		5.0	10.0
OCD	3.0	10.0	13.0		17.0	30.0
AUD	2.0	13.0	15.0		4.0	19.0
LEG	3.0	9.0	12.0		8.0	20.0
PBE	3.0	19.0	22.0		8.0	30.0
AGD	2.0	3.0	5.0		7.0	12.0
AGA	3.0	24.0	27.0		12.0	39.0
AGE	1.0	5.0	6.0			6.0
AGN	3.0	27.0	30.0		19.0	49.0
AGP	4.0	41.0	45.0		24.0	69.0
AGS	3.0	22.0	25.0		14.0	39.0
ESD	1.0	2.0	3.0		5.0	8.0
ESA	5.0	20.0	25.0		12.0	37.0
ESS	3.0	18.0	21.0		27.0	48.0
EST	4.0	33.0	37.0		28.0	65.0
ESW	2.0	15.0	17.0		6.0	23.0
FID	1.0	1.0	2.0		6.0	8.0
FIE	3.0	26.0	29.0		26.0	55.0
FII	3.0	16.0	19.0		9.0	28.0
FIM	3.0	21.0	24.0		13.0	37.0
FOD	1.0	1.0	2.0		5.0	7.0
FOE	4.0	13.0	17.0		9.0	26.0
FOI	2.0	11.0	13.0		11.0	24.0
FOM	3.0	10.0	13.0		4.0	17.0
NRD	1.0	2.0	3.0		9.0	12.0
NRC	3.0	18.0	21.0		10.0	31.0
NRL	3.0	18.0	21.0		12.0	33.0

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
NRR	3.0	18.0	21.0		11.0	32.0
TCD	1.0	5.0	6.0		15.0	21.0
TCA	4.0	20.0	24.0		16.0	40.0
TCE	2.0		2.0			2.0
TCI	8.0	58.0	66.0		32.0	98.0
TCO	4.0	26.0	30.0		27.0	57.0
AFD	4.0	19.0	23.0		80.0	103.0
AFF	3.0	30.0	33.0		31.0	64.0
AFH	3.0	21.0	24.0		35.5	59.5
AFS	2.0	14.0	16.0		71.0	87.0
KCD	1.0	1.0	2.0		3.0	5.0
KCC	2.0	41.0	43.0		59.0	102.0
KCE	2.0	35.0	37.0		19.0	56.0
KCI	1.0	33.0	34.0		31.0	65.0
KCT	3.0	50.0	53.0	4.0	40.5	97.5
FAOR	37.0	39.0	76.0	162.0	471.0	709.0
LOBR	1.0	2.0	3.0		1.0	4.0
LOGE	1.0	4.0	5.0		4.0	9.0
LONY	1.0	3.0	4.0		5.0	9.0
LOJA	1.0	1.0	2.0		1.0	3.0
LOWA	1.0	3.0	4.0		11.0	15.0
LORU	1.0	1.0	2.0		1.0	3.0
RAF	1.0	19.0	20.0	1.0	33.0	54.0
RAP	1.0	21.0	22.0	1.0	50.0	73.0
REU	1.0	8.0	9.0		7.0	16.0
RLC	1.0	18.0	19.0	1.0	43.0	63.0
RNE	1.0	15.0	16.0	1.0	26.0	43.0
SAA	1.0	13.0	14.0	2.0	5.0	21.0
SAP	1.0	6.0	7.0	3.0	12.0	22.0
SEC	1.0	7.0	8.0	3.0	12.0	23.0
SEU*	1.0	15.0	16.0	3.0	77.0	96.0
SFC	1.0	7.0	8.0	3.0	12.0	23.0
SFE	1.0	8.0	9.0	3.0	12.0	24.0
SFS	1.0	9.0	10.0	3.0	12.0	25.0
SFW	1.0	7.0	8.0	1.0	5.0	14.0
SLA	1.0	6.0	7.0	3.0	12.0	22.0
SLC	1.0	7.0	8.0	3.0	12.0	23.0

<b>DIV</b>	<b>Director and Above</b>	<b>Professional</b>	<b>Total International Staff</b>	<b>NPO</b>	<b>General Service</b>	<b>Total</b>
SLS	1.0	9.0	10.0	1.0	5.0	16.0
SNG	1.0	5.0	6.0	3.0	12.0	21.0
SNN	1.0	7.0	8.0	3.0	12.0	23.0
SNO	1.0	5.0	6.0	1.0	5.0	12.0
<b>Total</b>	<b>181.0</b>	<b>1,027.0</b>	<b>1,208.0</b>	<b>205.0</b>	<b>1,659.0</b>	<b>3,072.0</b>

\* Includes staffing of SSC hub in Budapest.

*List of Acronyms*

ADG	Assistant Director-General
AF	Administration and Finance Department
AFCAS	African Commission on Agricultural Statistics
AGL	Land and Water Division
AGP	Plant Production and Protection Division
AGS	Agricultural Support Systems Division
ASEAN	Association of Southeast-Asian Nations
BH	Budget Holder
CAADP	Comprehensive Africa Agriculture Development Programme
CCA	Common country assessment
CEB	United Nations System's Chief Executives Board for Coordination
CIFA	Committee for Inland Fisheries of Africa
DD	Division Director (at headquarters)
DG	Director-General
DO	Decentralized Office, i.e. RO, SRO, Liaison Office or FAOR
ECOSOC	Economic and Social Council (UN)
ECOWAS	Economic Community of West African States
EMPRES	Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases
ES	Economic and Social Department
FAO Rep	FAO Representative
FAOR	FAO Representation
FAOSTAT	Corporate Database for Substantive Statistical Data
FAS	Field Accounting System
FIVIMS	Food Insecurity and Vulnerability Information and Mapping System
GIEWS	Global Information and Early Warning System on Food and Agriculture
GS	General service
HIOs	Heads of Independent Offices
HLCM	High-level Committee on Management
HQ	Headquarters
IAAH	International Alliance Against Hunger
ICC	International Computing Centre
IDWG	Interdepartmental Working Group
IEE	Independent External Evaluation of FAO
IFI	International financing institution
IO	Independent Office (at headquarters)
IPM	Integrated pest management
IPPC	International Plant Protection Convention
ISCTR	International Scientific Council for Trypanosomiasis Research and Control



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ISPM	International Standard for Phytosanitary Measure
IT	Information technology
MCS	Monitoring, control and surveillance
MDG	Millennium Development Goal
MDT	Multidisciplinary team
MERCOSUR	Southern Common Market
MOSS	Minimum Operating Security Standards
MTP	Medium Term Plan
NEPAD	New Partnership for Africa's Development
NMTPF	National medium-term priority framework
OCD	Office for Coordination of Normative, Operational and Decentralized Activities
OIE	World Organisation for Animal Health
PAAT	Programme Against African Trypanosomiasis
PAIA	Priority Area for Inter-disciplinary Action
PATTEC	Pan African Tsetse and Trypanosomiasis Eradication Campaign
PRSP	Poverty Reduction Strategy Paper
REIO	Regional Economic Integration Organization
RMT	Regional Management Team
RO	Regional Office
ROTO	Regional Outposted Technical Officer
RR	Regional Representative
SARC	South Asian Regional Cooperation
SDW	Gender and Population Division
SSC	Shared Services Centre
STO	Subregional Technical Officer
SWAp	Sector-wide approach
TC	Technical Cooperation Department
TCA	Policy Assistance Division
TCI	Investment Centre
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNICEF	United Nations Children's Fund
WFP	World Food Programme
WHO	World Health Organization





