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Enabling the rural poor
to overcome poverty

Collaboration on administrative and processing work between FAO, WFP and IFAD

As agreed at the April 2007 session of the Executive Board, Directors will find attached the above-mentioned paper jointly prepared by the Food and Agriculture Organization of the United Nations, World Food Programme and IFAD.

Executive Board — Ninety-first Session
Rome, 11-12 September 2007

For: **Information**

Note to Executive Board Directors

This document is submitted for the information of the Executive Board.

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JOINT MEETING

Joint Meeting of the Ninety-seventh Session of the Programme Committee and the Hundred-and-eighteenth Session of the Finance Committee

Rome, 23 May 2007

COLLABORATION ON ADMINISTRATIVE AND PROCESSING WORK BETWEEN FAO, WFP AND IFAD

A. INTRODUCTION

1. This paper provides information to the Joint Programme and Finance Committee on opportunities for strengthening the future collaboration between the Rome based institutions in the provision of back-office administrative and processing functions.
2. In the Joint Meeting of the Ninety-sixth Session of the FAO Programme Committee and the Hundred and Fifteenth Session of the FAO Finance Committee in September 2006 a request was made “*that the Secretariat present a paper to the May 2007 Joint Meeting exploring the extent to which closer collaboration on “back-office” administrative and processing work between the Rome-based agencies (FAO, WFP and IFAD) could lead to overall savings efficiencies in this area. It was acknowledged that this was a medium-term goal but that dialogue between the agencies should commence as soon as possible. To facilitate this, Members agreed to raise this matter in the other Rome-based agencies, as appropriate and the Secretariat would consult the Secretariats of the other agencies*”.
3. In response to this request, the Heads of Administration in the three Organizations established an inter-institution working group to identify opportunities for future initiatives.
4. The result is the attached paper, which identifies areas of current collaboration and joint initiative, describes opportunities for strengthening the future collaboration. It also proposes an appropriate mechanism to facilitate governance to ensure efficient evaluation and execution of future opportunities, to ensure cost effectiveness.

For reasons of economy, this document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies, unless strictly indispensable.
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***Joint Report on Opportunities for Strengthening the Future Collaboration in the Provision of
Back-office Administrative and Processing Functions***

***A Joint Paper between FAO and WFP
in collaboration with IFAD***

5. This joint FAO/WFP report written in collaboration with IFAD
 - a) summarizes areas of current joint working in back office administrative and processing services between the three organizations;
 - b) considers possible opportunities for strengthening the future collaboration; and
 - c) proposes a mechanism for a systematic approach to achieve joint initiatives, considering feasibility, efficiency and cost effectiveness criteria.
6. This paper should be considered complementary to, and supportive of, other inter-institution measures designed to improve inter-institution working at policy, advocacy and country levels.
7. The report is divided into four sections:
 1. Background
 2. Areas of current collaboration and joint initiatives
 3. Opportunities for strengthening the future collaboration
 4. Delivery mechanisms

Background

8. The three Rome-based institutions have a long history of collaboration and joint working in back office processes, with many of these initiatives based on interaction and agreement between the functional heads of the organizations.
9. In the Joint Meeting of FAO's Programme and Finance Committees in September 2006 there was a request "*that the Secretariat present a paper to the May 2007 Joint Meeting exploring the extent to which closer collaboration on "back-office" administrative and processing work between the Rome-based agencies (FAO, WFP and IFAD) could lead to overall savings efficiencies in this area. It was acknowledged that this was a medium-term goal but that dialogue between the agencies should commence as soon as possible. To facilitate this, Members agreed to raise this matter in the other Rome-based agencies, as appropriate and the Secretariat would consult the Secretariats of the other agencies*".
10. The Heads of Administration in the three organizations¹ have established an inter-institution working group to make recommendations for a more systematic approach to joint back-office administrative service provision, and have also requested the heads of each back-office service area in each organization to establish the base position of those services which are currently provided on a joint basis, and to identify service areas that they would commit to providing on a joint basis, subject to feasibility and cost benefit analysis, or which should be further explored.

¹ **FAO** - Assistant Director-General, *a.i.*, Department of Human, Financial and Physical Resources; **WFP** - Deputy Executive Director, Administration Department; **IFAD** - Assistant President, Finance and Administration Department

11. The inter-institution working group was charged with collating these various service area inputs and considering mechanisms for delivery of joint services both in the short term and, at a more strategic level, in the medium term.

B. AREAS OF CURRENT COLLABORATION AND JOINT WORKING INITIATIVES

12. There are major existing areas of back-office service delivery that are undertaken on a joint basis between the Rome-based institutions, embracing the procurement, human resources, finance, information technology, conference, protocol, and knowledge sharing service areas.

13. In the **procurement** area, specifications for purchase of goods, tender results, tender documents, contract templates and terms and conditions are shared with the objective of converging towards common standards. Clauses are included in tender documents to extend the validity of bids to all sister institutions, and joint training courses are run on procurement. In 2005, FAO, WFP and IFAD carried out a joint tender to purchase electric energy on the liberalized market. Efficiency was obtained with a well integrated and coordinated participation of the technical and contractual units of the three institutions. The monitoring of the contractual performance and contacts with the contractor are carried on jointly. A 9-15% saving was achieved with this joint effort. There is also a current joint tender for the contract for travel services between FAO and IFAD, and joint negotiations with airlines for travel pricing for IFAD, FAO and WFP. In addition, there is joint preparation for the yearly meetings of the Inter-Agency Network of Facilities Managers (INFM) and of the Inter-Agency Procurement Working Group (IAPWG). In addition there has been considerable cooperation in procurement activities relating to IT acquisitions. For example, in mobile telephony, FAO and WFP jointly prepared the Request for Proposal text and tendered at the same time to the same bidders with a common aggregated volume, thereby achieving better rates than either institution would have got if tendering alone.

14. In the **Human Resources** area, FAO is responsible for the management of the medical insurance contracts covering staff and retirees of the three Institutions agencies (as well as ICCROM²), and also administers the participation of all FAO and WFP staff members in the United Nations Joint Staff Pension Fund (UNJSPF) and all matters relating to their pension benefits in accordance with the agreements between the UNJSPF and the Institutions. Additionally, the 'Staff Compensation Plan' for accidents attributed to the performance of official duties in both FAO and WFP is administered by the Social Security Branch in FAO. Staff and Management of FAO, WFP and IFAD are represented in the joint Committees responsible for overseeing the provision of these services and for setting up the policies relating to their provision in the respective institutions. The Management Development Centre was established for the Rome-based United Nations institutions as a joint project that arose from the WFP, FAO and IFAD HR Network and this has received significant ongoing support from DFID³. The three institutions are also collaborating with the UN Staff College in the design, development and delivery of a UN system-wide programme for leadership development for the proposed Senior Management Network. FAO organizes pre-retirement seminars twice annually to prepare staff for the retirement event and these seminars are attended by WFP and IFAD staff. IFAD and FAO have recently supported the launch of the Local Expatriate Spouse Association (LESA) in Rome, which is chaired by WFP. There is also joint provision of language training, recruitment testing, and management and communications programmes. The three organizations also collaborate in the conduct of general service salary surveys and place-to-place cost-of-living surveys. FAO also maintains the Administrative Manual which embodies the administrative provisions governing the application of regulations and rules for both FAO and WFP and handles cases of appeal lodged by WFP staff members to the Appeals Committee against decisions taken by the Executive Director,

² International Centre for the Study of the Preservation and Restoration of Cultural Property

³ UK Department For International Development

WFP. Both FAO and WFP consult each other on matters relating to employment law and administrative law.

15. In the **Finance** area, IFAD worked directly with FAO and WFP on a joint tender for the new actuary for After Service Medical Care and a joint Actuarial Review of the After-Service Staff Benefits Plan. There is also cooperation in Institutional Contract activities with FAO/WFP in relation to projects, e.g., Field Presence initiative (Tanzania). WFP and FAO participate in the respective Investment Committee, Treasury units of WFP and FAO cooperate regularly for payment and foreign exchange services in remote places. There are discussions and exchanges between the three institutions regarding the UN General Assembly decision to move to internationally accepted accounting principles (IPSAS).

16. In the **Information Systems** area, access to the Credit Union system is available to staff in WFP and FAO and the system is supported with basic personnel data fed from the FAO and the WFP systems, and interacts with the respective payroll systems to apply recoveries for loan repayments and monthly deposits on share accounts. The Medgate system is supported by FAO and managed by the Medical Office and is in use by FAO, WFP and IFAD. The system to manage staff leave was originally developed by IFAD and the code passed to FAO who now use a modified version. WFP also makes temporary use of the legacy FAO payroll system for retroactive payroll payments, and for payment of general service staff in its Liaison Offices.

17. In the **Conference and Protocol area**, a rolling calendar of FAO/IFAD/WFP main meetings is the result of negotiations among the various governing body secretariats; and Finance Committee sessions are convened as required to discuss WFP matters. FAO also manages the annual election of six members to the WFP Executive Board and can help run a WFP Executive Board ballot when required. Information is exchanged regularly on matters such as temporary meeting staff, digital sound recordings, meeting records and correspondence with Members. FAO also handles the issuance of identity cards and visas for WFP and the renewal of Laissez Passer for IFAD and WFP. FAO lends interpreters to WFP and there is regular liaison between the Terminology Unit of FAO with IFAD and WFP to maintain a common approach to translation. FAO also provides support to WFP staff with regard to the importation of vehicles, registration of national/CD plates, petrol coupons, driving licences, and import licences for shipment of household goods and personal effects.

18. In the **Knowledge Exchange** area, in web site design and development, there is an exchange of experiences, knowledge and web technologies in order to re-use structures, solutions and platforms. There is development of a common platform for collaborative work-space and knowledge exchange and there is a sharing of guidelines for document scanning and conversion, and for Web publishing.

19. In other areas, FAO provides Commissary services to WFP on a reimbursable basis, managing the Commissary annex in the WFP premises and allowing access to the FAO Commissary. FAO also provides Diplomatic Pouch services to WFP and IFAD, and WFP facilitates the dispatch of diplomatic Pouch in some countries where they have better logistics. The institutions agree loans of staff to share experience and provide support and there is joint agreement on some business continuity issues. FAO provides some medical services to IFAD and there is also collaboration on a coordinated response to Avian Human Influenza, including procurement of Tamiflu and other supplies.

20. The above represents a wide range of services across the three organizations where back-office service delivery is provided on a joint basis, and indicates the close and effective working arrangements already in place between the managers of the back-office functional areas.

C. OPPORTUNITIES FOR STRENGTHENING THE FUTURE COLLABORATION

21. In addition to identifying areas of current joint service provision, functional managers provided the working group with suggestions for exploration in terms of potential joint working arrangements. Functional managers of each organization have exchanged ideas on areas for potential future joint service provision, and divided these services into two lists.
22. The Main list (Annex 1) contains service areas that functional managers would be prepared to commit to providing on a joint basis in the medium term, subject to a positive outcome of feasibility and cost-benefit studies.
23. A Secondary list (Annex 2) represents service areas that functional managers would be willing to explore further for potential longer term joint service provision.
24. This represents a very useful and constructive starting point for consideration of potential back-office service provision on a joint basis.

D. DELIVERY MECHANISMS

25. In order to maximize progress in enhanced collaboration between the three institutions, consideration has been given to the mechanisms to exploit these initiatives. Whilst this mechanism focuses on the three institutions, it does not preclude a collaboration between two out of three, or the inclusion of other institutions for some initiatives.
26. The mechanism focuses on projects that can be delivered by the Departments dealing primarily with administrative matters (as opposed to the organisation as a whole) and that are largely transparent to the user community at large. It aims at ensuring that:
- a) ideas to be considered have undergone preliminary review;
 - b) all concerned parties have had an opportunity to review and therefore commit to the work involved;
 - c) progress and deliverables are monitored;
 - d) there is common system of implementation based on best business practises (i.e. from feasibility through implementation, including prioritisation and funding);
 - e) there is an effective mechanism for reporting back to Governing Bodies.
27. A mechanism (in terms of both structure and processes) is essential to the success of this initiative. An Inter-Institution Coordination Committee (IICC) is being established. The IICC will be composed of the Heads of Administration and Finance Departments, and Heads of Units responsible for inter-agency affairs. This Committee will be chaired by Departments Heads in rotation, and will meet once every quarter. It will be responsible for reviewing, approving and prioritizing the overall programme of inter-organization activities. It will provide authority for the necessary resources. It will ensure that approved initiatives are included in each Organizations' overall Management Plan. It will also consider mechanisms for joint service provision, such as initial Memoranda of Understanding followed by a more integrated service approach in the medium term, including delivery through joint Shared Service Centre mechanisms.
28. The IICC will establish sub committees to identify further areas for joint working, undertake feasibility studies and develop business cases as appropriate. The first task of the ICC will be to select one or two pilot activities from the Main list of activities and report on the introduction of these pilot activities on a joint basis.

**ANNEX I – MAIN LIST OF SERVICE AREAS FOR POTENTIAL JOINT
WORKING ARRANGEMENTS**

Area/Service	Description/Comments
Treasury management	Sharing of the Treasury Annual Work Plans between the three institutions in order to exchange knowledge, leverage best practices, and identify areas for cost efficiencies. Quarterly meetings to follow up the Plans and decide further common actions to be established.
	Co-ordinate the selection of financial services providers via Treasury related Request For Proposals (Investment Managers, Global Custodian, Financial Advisor, Central Clearer, etc.) in order to benefit from joint purchasing power and reduce costs and time allocation, subject to procurement guidelines and contract confidentiality.
	Coordination on anti-money laundering compliance.
Cash management in the field	Use of the same provider for fidelity and cash transit insurance for field offices and project locations. WFP has already put in place the necessary capacity and FAO and IFAD will assess how they will be able to benefit of WFP capacity/experience.
Human Resources	Expanded participation of WFP and IFAD in FAO's Working Group on Professional Remuneration and Allowances and Working Group on General Service Conditions of Employment, greater cooperation in staff training and development activities, improved sharing of information on conditions at field locations in the context of the mobility and hardship scheme.
	Greater flexibility of approach in terms of staff mobility under the Inter-Institution Mobility Accord.
Administrative services	Re-issue a joint tender for the purchase of electrical energy on the liberalized market. Preparation work: July-Sep 07. Closure of tender end Nov 07.
	Prepare a joint tender for the purchase of gas on the liberalized market.
	Business Continuity Planning - Letter of Intent to offer 20 workplaces to any of the three institutions the Headquarters of which would have been made non-operational following a disaster.
Accounting	Formalised meetings with regard to the implementation of International Public Sector Accounting Standards by WFP and FAO where IFAD will share its expertise. The institutions will work together when discussing changes to the accounting systems in order to benefit from common approaches. For IPSAS projects and other future projects collaboration should extend to sharing also any related external services (consultants, advisers).
Information Technology	Joint Data Centre, including appropriate Disaster Recovery and Business Continuity plans.
	Joint switchboard facilities.
	Shared Helpdesk services

ANNEX II – SECONDARY LIST OF SERVICE AREAS FOR EXPLORATION

Area/Service	Description
Field Presence	To develop further the collaboration on the field through joint field offices/share field office infrastructure/support services (accommodation, telecommunications), also in line with the One UN/Joint Office work. Benefits and advantages compared to current arrangements should be studied.
	Common negotiation with local accounting/audit firms that provide financial control services for field and project locations. This is currently only used by FAO.
Payroll Processing	Cooperation regarding transaction processing and other accounting services related to payroll could be much more extensive. Nevertheless, the fact that the three Organizations have substantially different ERPs questions the feasibility of the project in the medium term.
Cash Management	SWIFT services. The possibility to share IFAD SWIFT payment capability with FAO and WFP should be studied.
	Unifying banking networks in decentralised offices to improve service and reduce unit costs
	Inter-organization financing (IFAD / FAO).
Administrative Services including Procurement	Global insurance policy for Headquarters. Shared procurement processes/contracts for: PCs and printers; Mobile telephones, blackberry devices, palmtops etc.; Videoconferencing and Audiovisual equipment Contracts for local consultants; Common application areas (e.g. Content Management Systems, Travel, Medgate, Building passes).
Human Resources	The institutions have similar fields of expertise and could benefit from a common pool/database/roster of consultants.
	This should encompass the honorarium levels/types of contract to try to adopt a joint approach and thus avoid creating a situation of "competition" between the organizations.
	Setting up roster of candidates from non/under-represented countries, under which organizations would share the Personal History Forms of qualified candidates.
Common Compensation Plan.	
Information Technology	Shared Oracle RDBMS Data Base Administration support
	Joint telecommunications facilities.
	Negotiation of common framework contract(s).
	Website development and support. This can include: Web site design and development: exchange of experiences, knowledge and web technologies in order to reuse structures, solutions and platforms. Web 2.0: common analysis of web 2 tools and technologies, development of a common platform for collaborative work-space and knowledge exchange

Area/Service	Description
Knowledge Exchange and Capacity Building	Document scanning and conversion: share of guidelines for document scanning and conversion; share of Web publishing guidelines (The Web Guide).
	Content sharing; sharing of the Ask FAO methodology and platform. Collaboration in the management of answers
	In the area of Knowledge Organization Systems (KOS), Metadata, Metadata Standards and Cataloguing, share/elaborate: map and integrate KOS, in particular Thesauri and Classifications Schemes, to facilitate exchange of information; collaborations in the area of terminologies, in particular, use of the FAO AGROVOC/Concept Server; metadata and definition of metadata standards, semantic technology based tools, including cross-institutions multilingual searches.
	Sharing of FAO Information Management Resource Kit (IMARK) e-learning methodologies (guidelines, instructional methodologies, planning resources) to other organizations, as well as environments/tools/licenses for e- and distance learning and virtual conferencing.
Governing Body Meetings	Synchronize WFP budgetary process to fit into the pattern of FAO Finance Committee sessions; Share rosters of temporary meeting staff; Share FAO terminology (with IFAD and WFP becoming full users of FAO service); Define a common policy for printing, common tendering for printing documents and publications; purchasing of equipment and sharing of resources; Collaborate in the area of translation if deemed desirable. For instance, the possibility for the three agencies to do common planning for sharing internal resources and external contractors could be explored; Jointly investigate digital sound recording of governing body meetings.