

# **A Study on the Regional ITTO Presence and Representation**

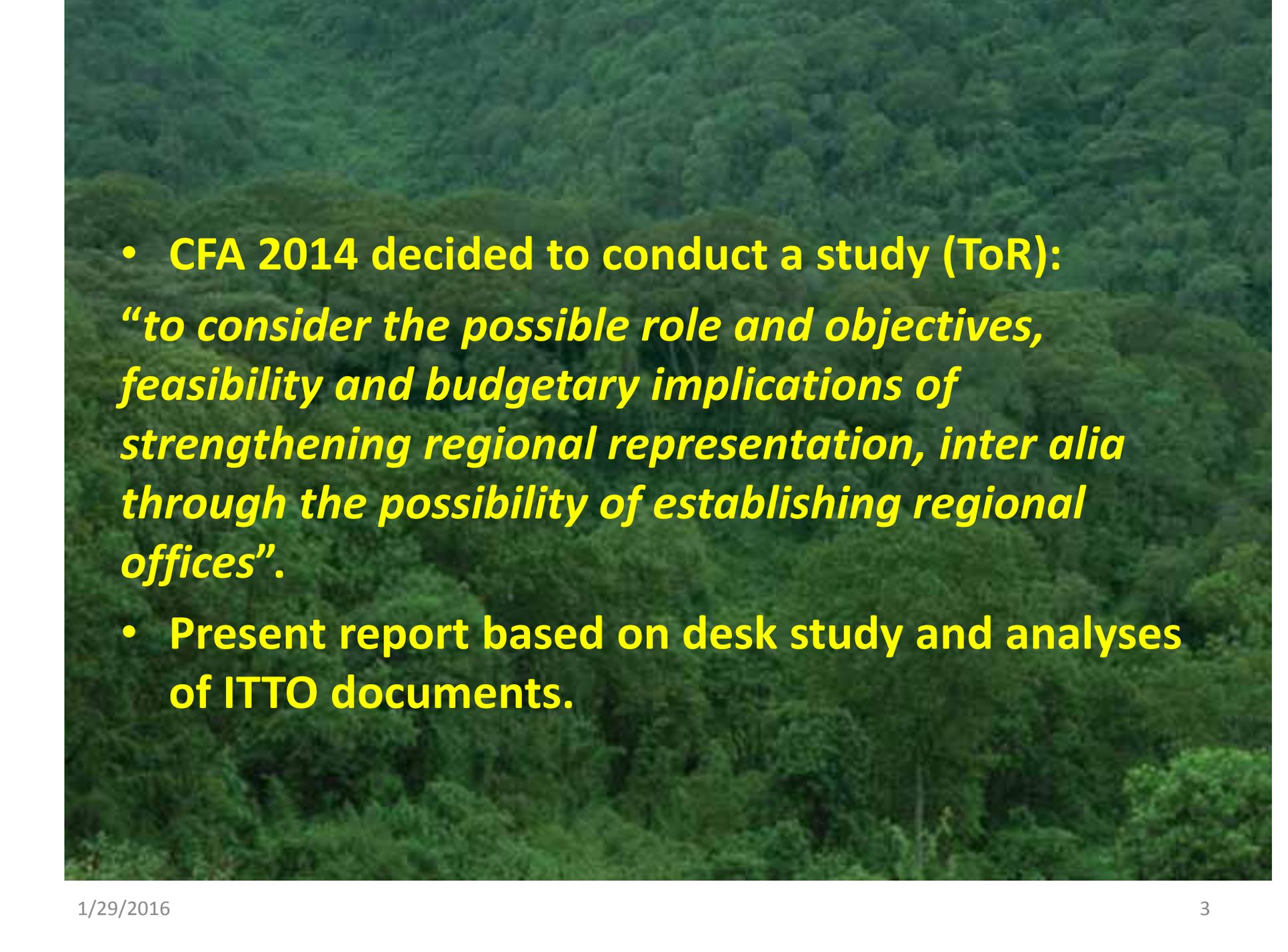
**M. Hosny El-Lakany**

**Faculty of Forestry, UBC, Vancouver, Canada**

**ITTC, Nov 2015**

# 1. Introduction

- To strengthen ITTO regional presence, Secretariat proposed to CFA 2001 to establish two additional posts of Regional Officers (ROrs) in LAC and AF.
- Two consultants appointed in Brasilia and Libreville, paid from program support and project monitoring budgets.
- After a pilot period of 2 years, ITTO conducted an evaluation of its ROr System.
- Secretariat noted the considerable savings to be made by having officers located in the regions, particularly regarding travel.

- 
- **CFA 2014 decided to conduct a study (ToR):**  
*“to consider the possible role and objectives, feasibility and budgetary implications of strengthening regional representation, inter alia through the possibility of establishing regional offices”.*
  - **Present report based on desk study and analyses of ITTO documents.**

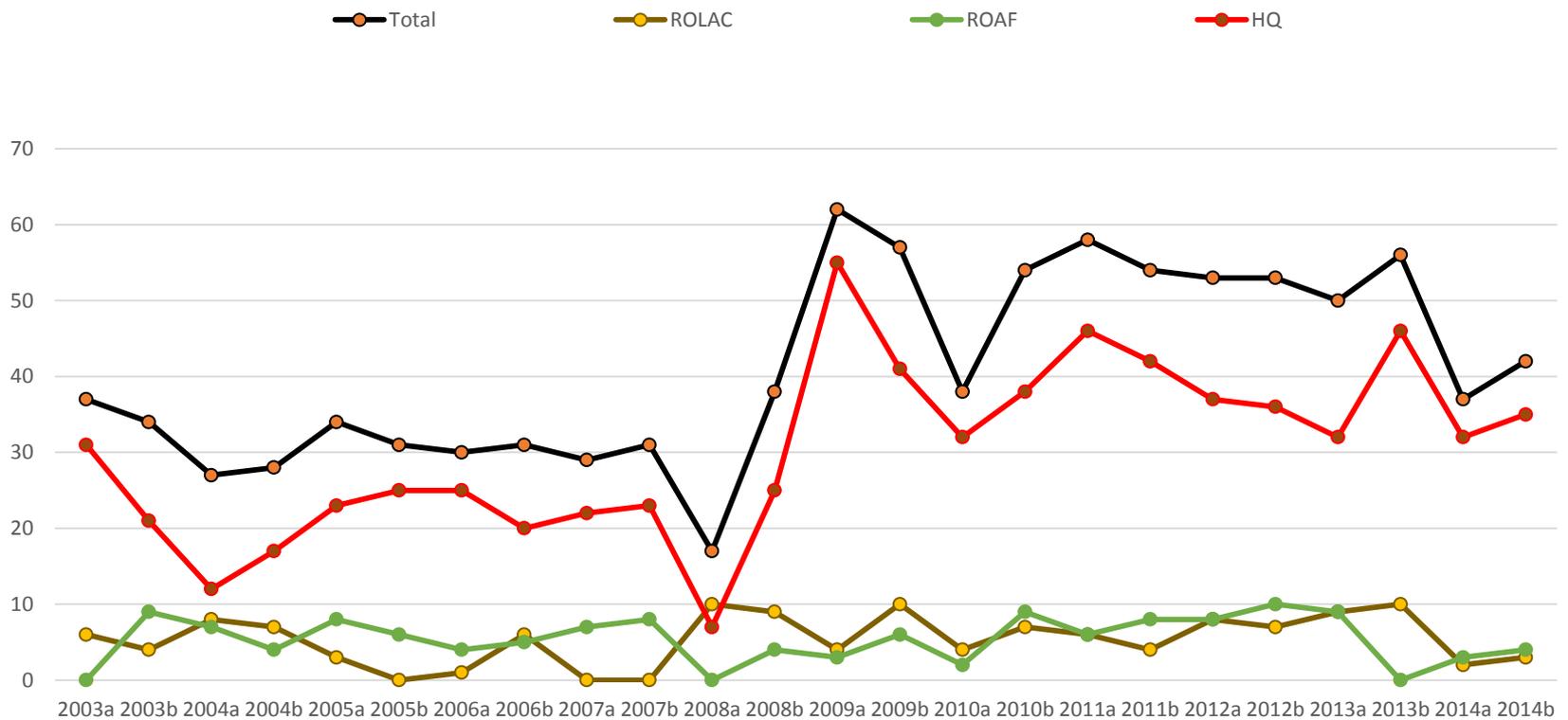
## **2. Activities of current Regional Officers**

- In general, ROs fulfilling their mandates and ToR to best of their abilities, although budgetary and staff limitations impose certain constraints on delivery.**

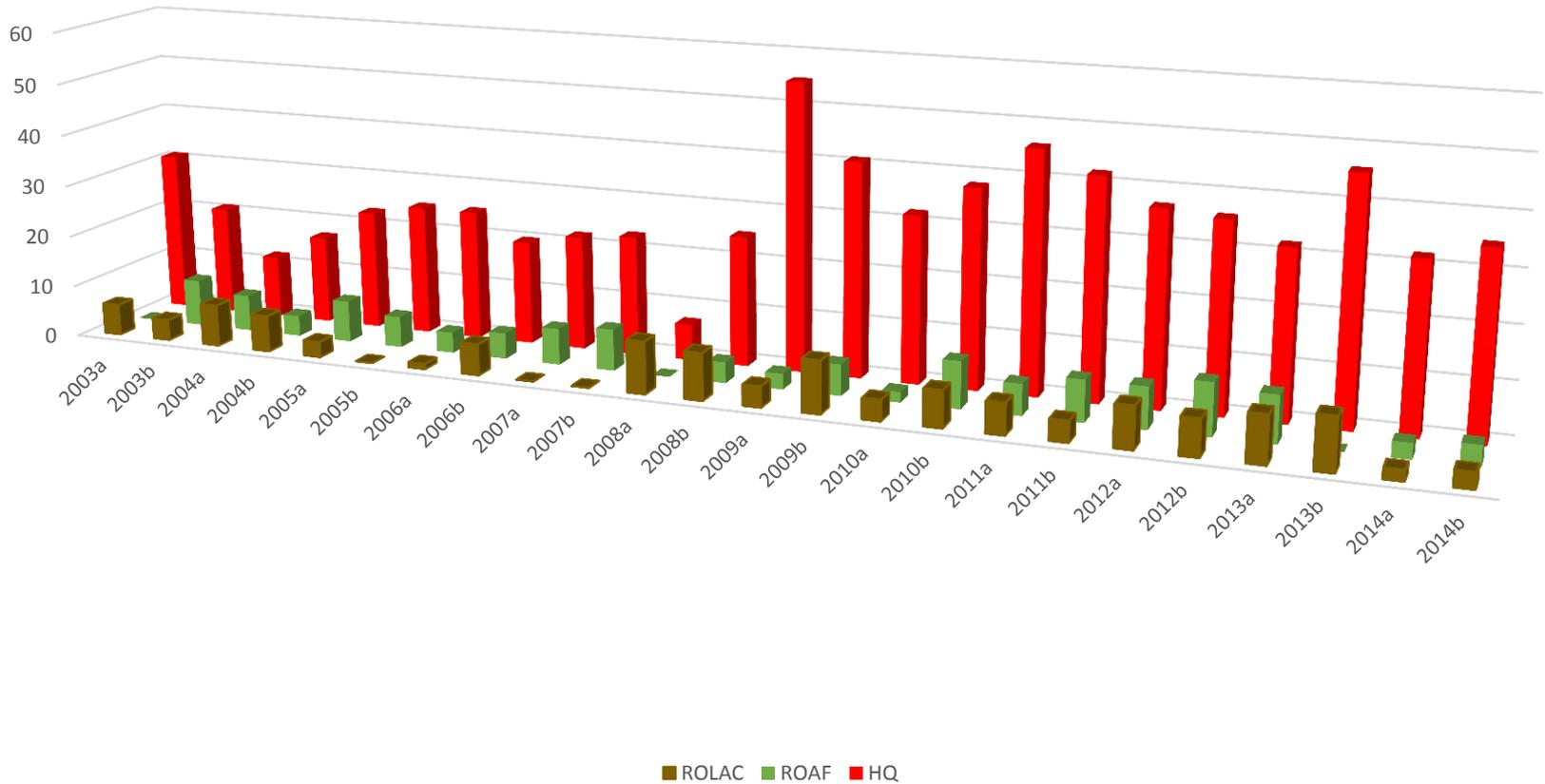
### **3. Effect of regional officers system on workload of the HQ staff**

**Analyzed 24 tables of *“Planned Steering Committee meetings and other Project Monitoring Activities (RFM)”* January-June 2003 to July – December 2014.**

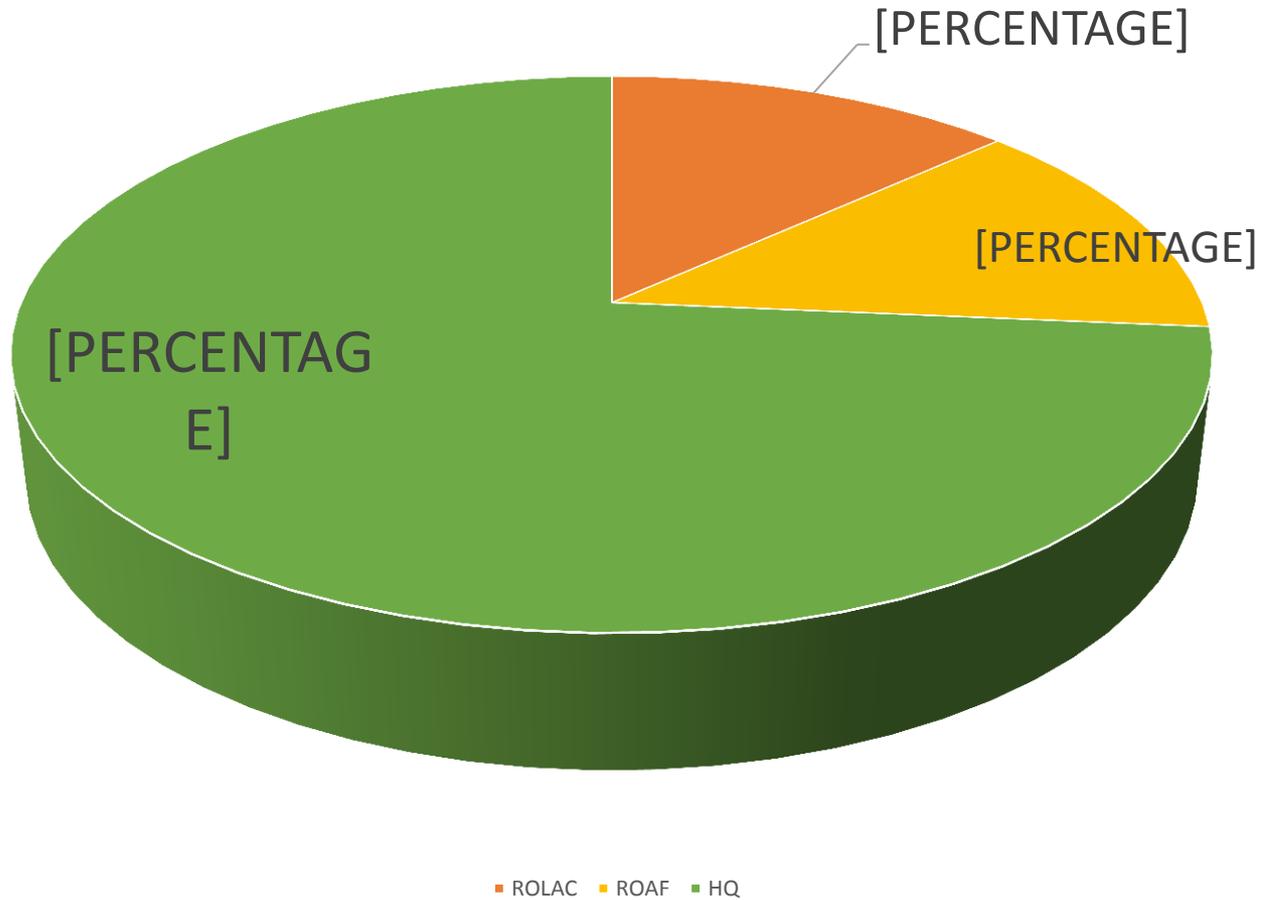
# Development in number of ITTO projects (2003-2014). (Total, HQ, ROrAF, ROrLA)



# Number projects handled by HQ, ROrAF, ROrLAC



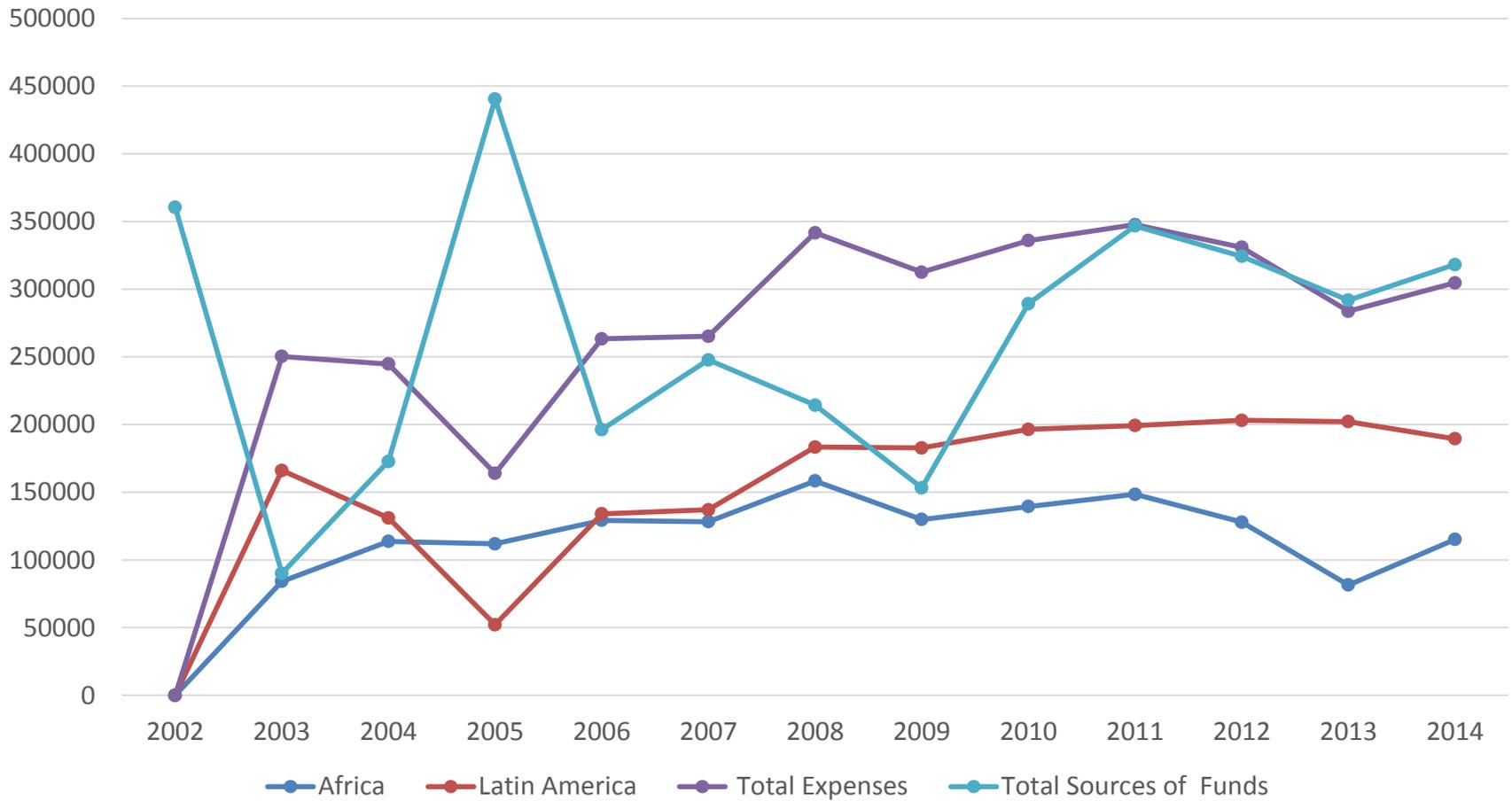
# Percentage projects handled by HQ, ROrAF, ROrLAC



## **4. Cost/benefit analysis of Regional Officers system**

- All benefits and costs should be measured in terms of their equivalent money value; a challenge due to nature of the present exercise.**
- Analyzed Expenses and Sources of Funds between 2002 and 2014.**

# Expenses of Regional Officer AF, LAC; Total expenses; and Total Sources of Funds between 2002 and 2014



## **6. Added value and potential implications of establishing Regional Offices (ROCs) compared to current situation.**

- Value of establishing ROs system as originally conceived still valid, BUT would be better realized if a ROCs system is established.**
- Pros and cons addressed from different, yet complimentary, perspectives as follows:**

# 6.1 Services to member countries

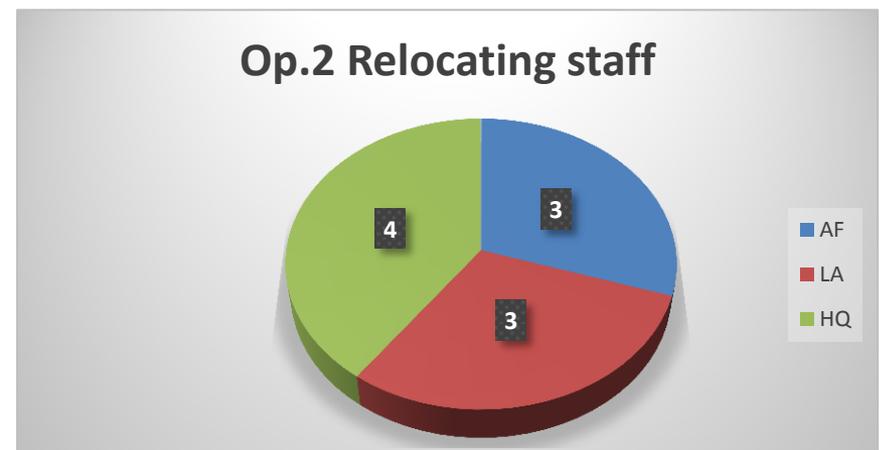
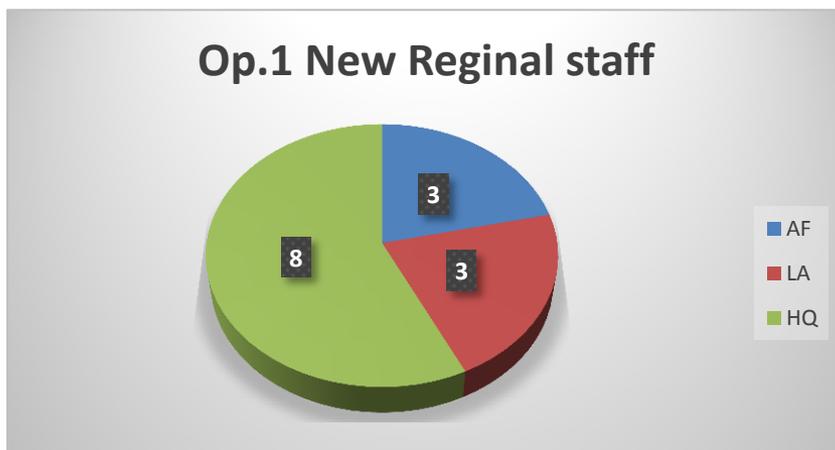
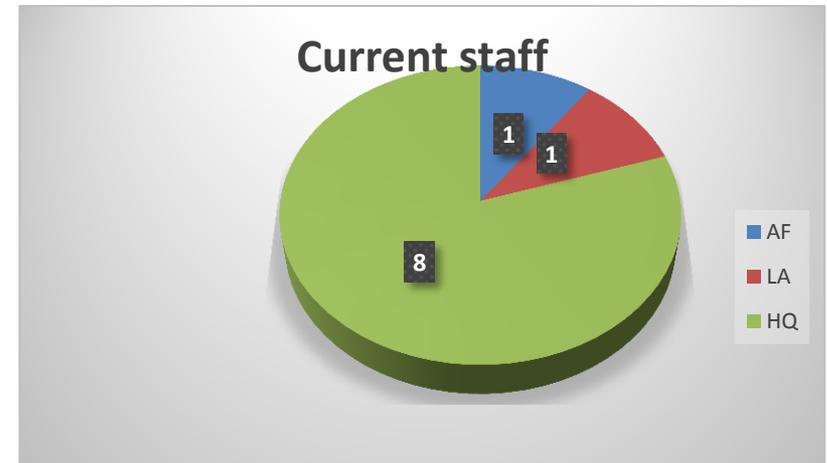
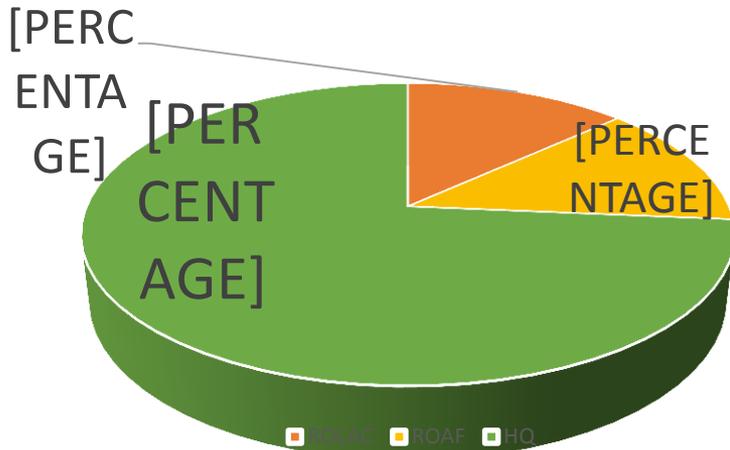
- ROrs System (*i.e.* long-term Consultants stationed in regions) remains more or less a “one-man-show”.
- Establishing ROcs would enhance ITTO’s presence and activities in regions.
- A critical mass of professional staff in ROcs is fundamental.
- Changing name from ROr to ROcs to grant diplomatic immunities to ROrs would not necessarily enhance services to member countries.

## 6.2 Human resources

- **At a minimal, a Regional Office should have a Regional Representative plus 2 professional Regional Officers.**
- **Two options to staff Regional Offices:**
  - 1. Recruit 6 professional staff, OR**
  - 2. Relocate 2 professional staff from HQ to each of the two regions (plus 2 current ROs?).**

- **Currently ITTO has a total of 10 professionals (excluding ED and 3 Directors); with 2 in regions and 8 at HQ.**
- **Option 1: Increase number professional staff by 40% (from 10 to 14: 3 AF, 3 LAC and 8 HQ).**
- **Option 2: Relocate 4 professionals from HQ to the two regions, *i.e.* HQ will have only 4 professionals left.**
- **Considering average division of labor between HQ and the Regions, this option may leave HQ with inadequate critical mass of professional officers.**

# Work load and staffing options for two Roc's



## 6.3 Budgetary implications

- Maintaining present system of ROs may not imply additional financial expenditures.
- If ROs to be established in current two regions:

**Option 1: using current average annual expenditures per RO of \$ 285,000, total cost would be roughly \$1.0 – 1.3 \$mil. annually.**

**Option 2: financial implications may not be significant. Total staff costs may be less in AF and LA. However, re-location expenses; not all staff accept transfer, associated separation costs.**

## 6.4 Administrative procedures and legal matters

- **Maintaining current system of two ROs entails minimal changes in current administrative procedures compared to two full-fledged ROs.**
- **ROs require devolving some administrative procedures from HQ (reporting channels) and decentralization of some administrative staff (or appointing new admin staff, perhaps locally).**

# Legal matters

- **Apparently countries currently hosting two ROs reluctant to grant them diplomatic immunities and privileges without a legally binding Host Country Agreement (HCA).**
- **HCA can only be formulated and ratified for Regional Offices, which is the normal diplomatic procedure.**

## 6.5 Selection Criteria for Regional Office locations

- So far, issues related to security, accessibility and communications are not a matter of serious concerns to current ROs.
- Some adjustments will be needed with additional staff and responsibilities.
- Another possibility is to attach RO's to Regional Offices of an International Organization.

## 7. Conclusions

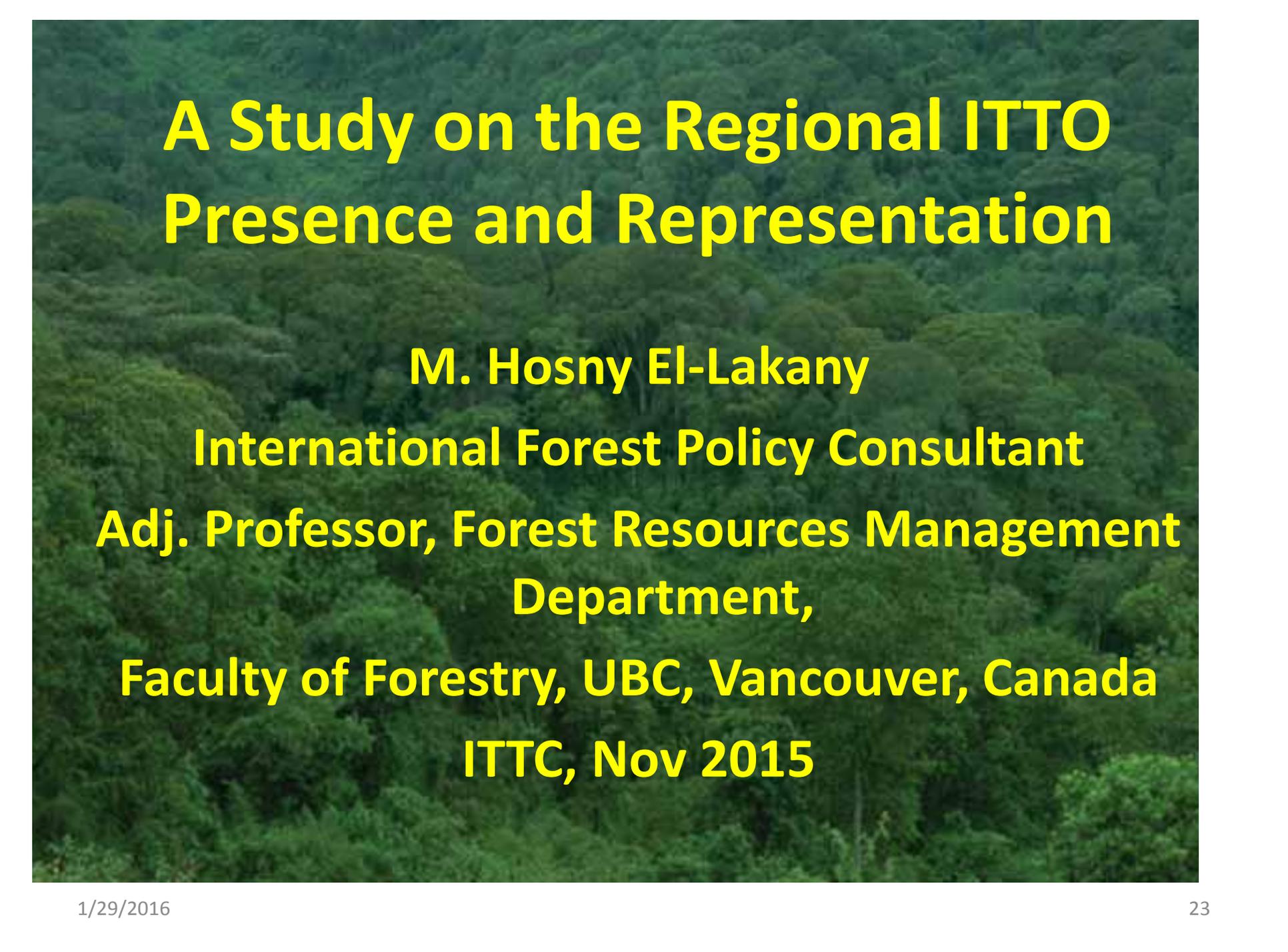
- **Establishing appropriately staffed Regional Offices is technically feasible and would serve ITTO and its member countries better than the current two Regional Officers system.**
- **However, serious financial and administrative implications must be considered in advance.**

**Current ITTO financial situation and additional funds expected in foreseeable future are not conducive to taking such a decision unless:**

- potential host countries committed to bear a substantial part of additional costs, or**
- some member countries commit long-term additional Voluntary Contributions earmarked for this purpose.**

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**Thank you**



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# 1. Introduction

- To strengthen ITTO regional presence, Secretariat proposed to CFA 2001 to establish two additional posts of Regional Officers (ROrs) in LAC and AF.
- Two consultants appointed in Brasilia and Libreville, paid from program support and project monitoring budgets.
- After a pilot period of 2 years, ITTO conducted an evaluation of its ROr System.
- Secretariat noted the considerable savings to be made by having officers located in the regions, particularly regarding travel.

- **CFA 2006 recommend posts of two ROs be continued, while maintaining charges of 2% to all budgets of projects, pre-projects and activities.**
- **CFA 2014 decided to conduct a study (ToR):  
“to consider the possible role and objectives, feasibility and budgetary implications of strengthening regional representation, *inter alia* through the possibility of establishing (*unspecified number*) regional offices”.**
- **Present report based on study and analyses of ITTO documents.**

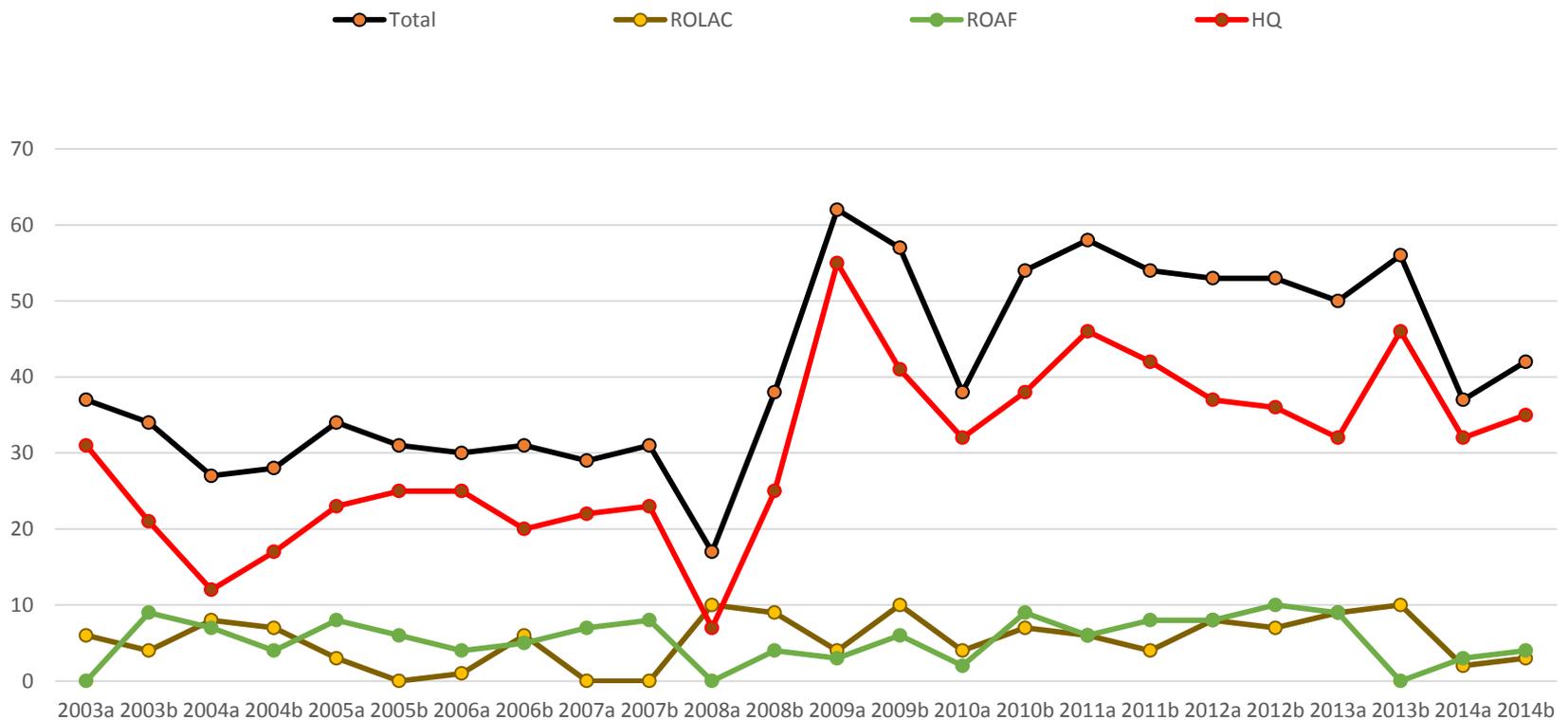
## 2. Activities of current Regional Officers

- Project Monitoring, attending PTC, Field Visits, Conferences/ Workshops, Project Steering Committees (official meetings attended by donors), Online Monitoring System Training, and other activities requested by HQ.
- Present study revealed in general ROs fulfilling their mandates and ToR to best of their abilities, although budgetary and staff limitations impose certain constraints on delivery.

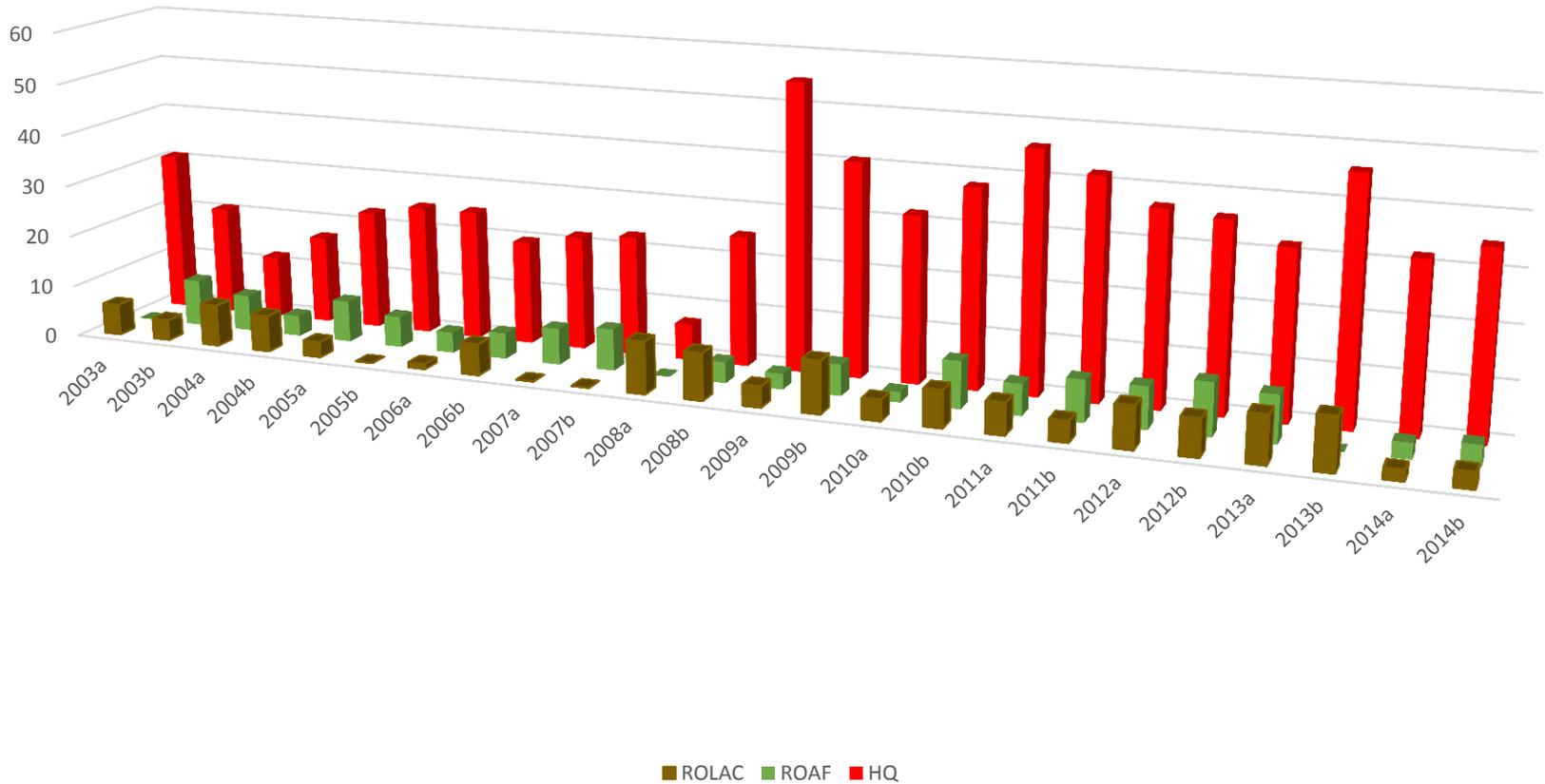
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**Analyzed 24 tables of “*Planned Steering Committee meetings and other Project Monitoring Activities (RFM)*” January-June 2003 to July – December 2014.**

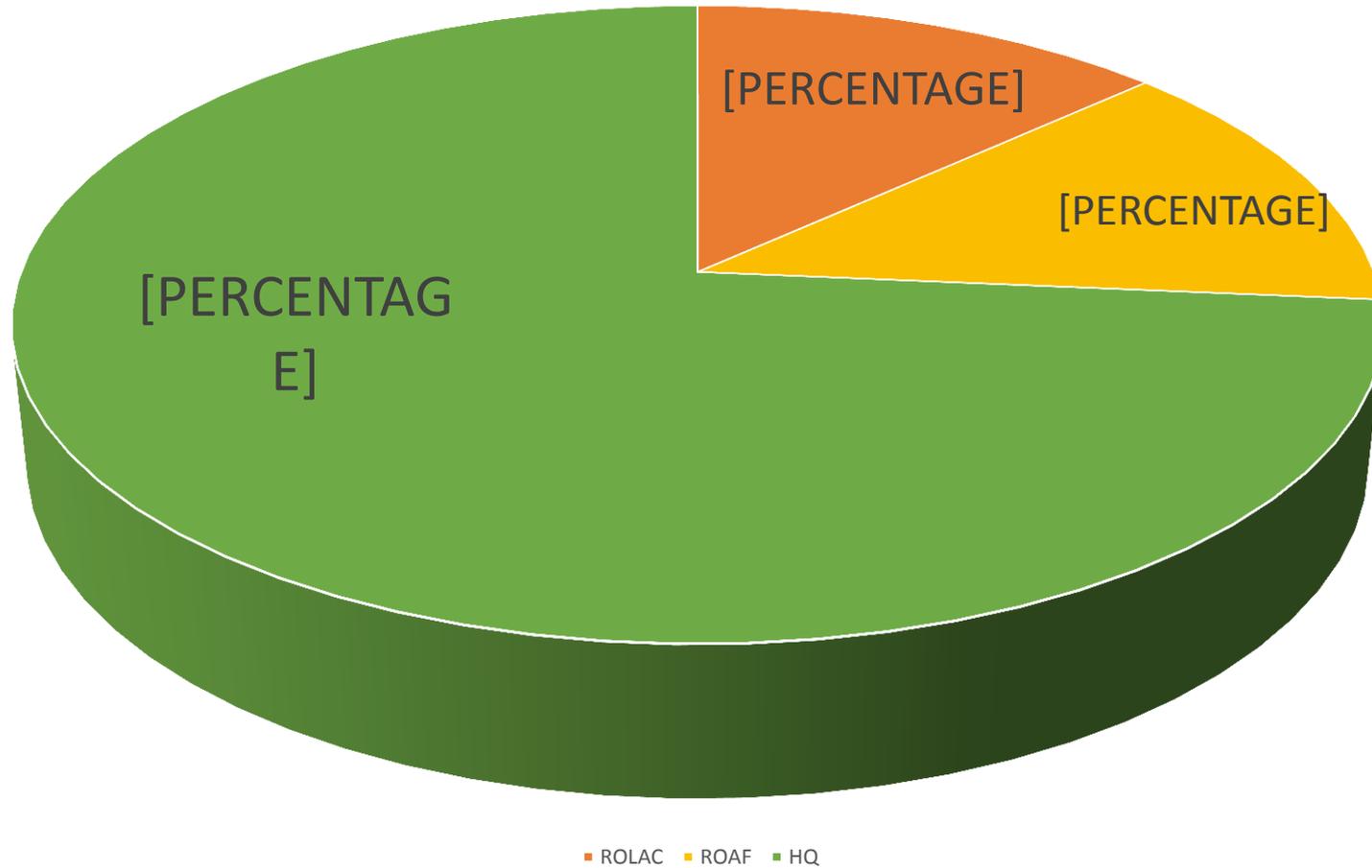
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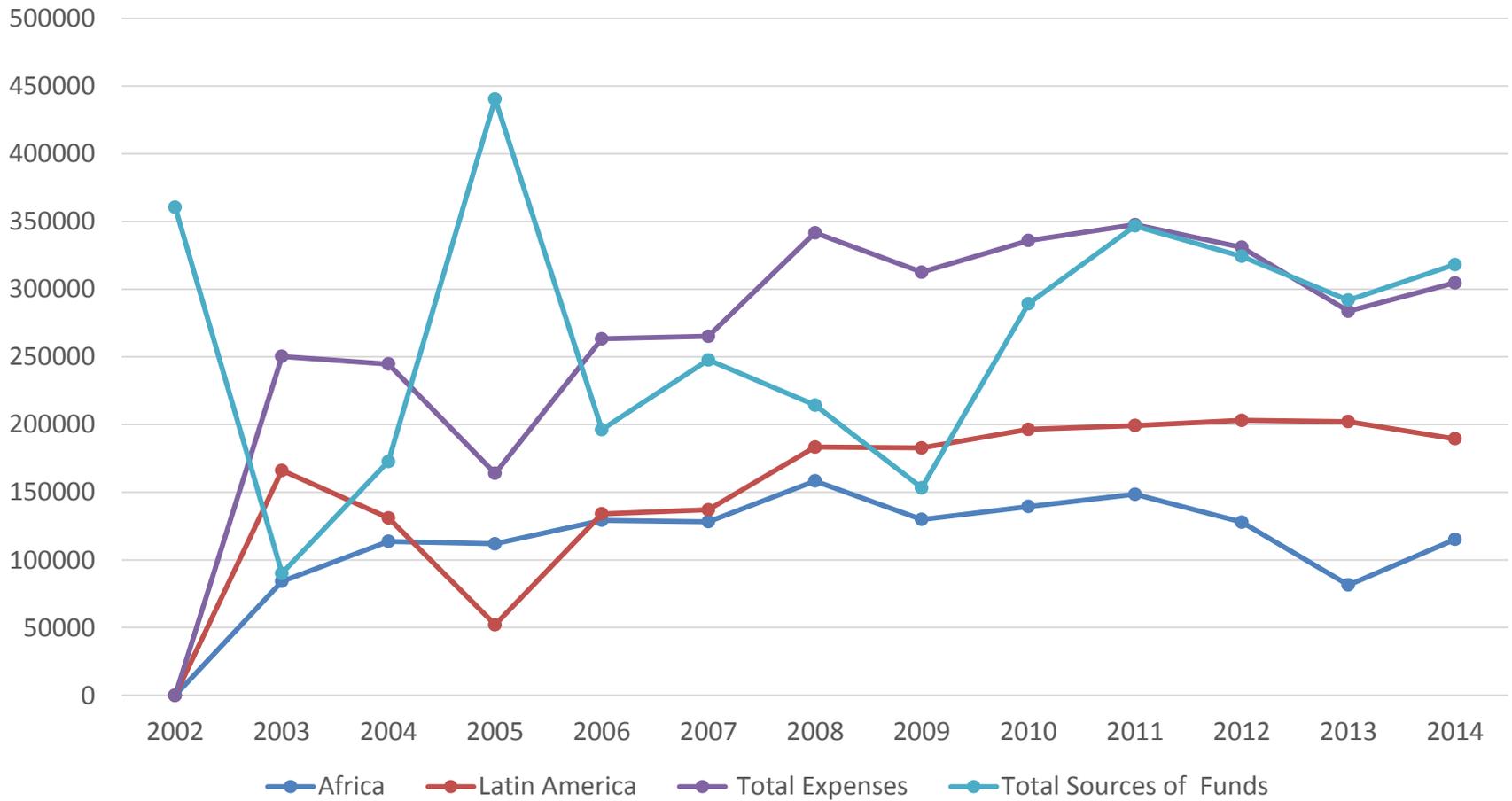
# Percentage projects handled by HQ, ROrAF, ROrLAC



## **4. Cost/benefit analysis of Regional Officers system**

- All benefits and costs should be measured in terms of their equivalent money value; a challenge due to nature of the present exercise.**
- Analyzed Expenses and Sources of Funds between 2002 and 2014.**

# Expenses of Regional Officer AF, LAC; Total expenses; and Total Sources of Funds between 2002 and 2014



## 5. ITTO financial situation and possible mobilization of additional resource

- Based on Report “*Ad hoc Working Group on the Mobilization of New Funding and Partnerships for ITTO and Its Objectives, 2013*”, and additional recent information.
- Voluntary contributions received into Special Account over 15 years revealed significant short-term variation, *i.e.* resources are partly unpredictable.
- A long-term declining trend in voluntary contributions bottoming out at US\$3.4 in 2004.

- **Between 2008 and 2013, average funding around US\$10 mil./ year; ranging from US\$7.2 to 14.4 million.**
- **Main financing instrument was Special Account as the Bali Partnership Fund had been virtually depleted.**
- **“Approach to the Funding and Partnerships Strategy/Action Plan”:** *ad hoc* Group concluded for medium-term, bulk of funding for ITTO’s project activities will have to come from voluntary contributions; with efforts towards diversification.

- **Recent indicative figures extracted from the Statements of Revenues and Expenditures in 2014 (Audit Report 2013).**
- **REVENUES: contribution from members increased from 6.4\$ mil.in 2012 to 7.9 in 2013, while all other revenues decreased.**
- **BALANCE: increased deficit from 3.2 \$mil. in 2012 to 7.3 Million \$ in 2013.**
- **BALANCE SHEETS: substantial amounts of Arrears while Allocations/pledges by donors to Special Account and the Bali Partnership Fund were variable.**

## **6. Added value and potential implications of establishing Regional Offices (ROCs) compared to current situation.**

- Value of establishing ROs system as originally conceived still valid, BUT would be better realized if a ROCs system is established.**
- Pros and cons addressed from different, yet complimentary, perspectives as follows:**

## 6.1 Services to member countries

- ROs System (*i.e.* long-term Consultants stationed in regions) remains more or less as a “one-man-show”.
- Services to countries and ITTO have not fully met intended expectations, understandably.
- Establishing ROcs would enhance ITTO’s presence and activities in regions PROVIDED functions of direct relevance to regions transferred to ROcs, including policy assistance, field programme development and most technical support to projects.

- **A critical mass of professional staff in ROcs is fundamental.**
- **A Regional Office with only one Consultant acting as a Regional Officer will not be productive nor desirable.**
- **Changing name from ROr to ROce just to grant diplomatic immunities and privileges to present ROrs would not enhance services to member countries.**

## 6.2 Human resources

- **A Regional Office should have a Regional Representative and at least 2 professional Regional Officers representing the two technical divisions at HQ to start with. And one Administrative/Financial Officer.**
- **Two options to staff Regional Offices:**
  - 1. Recruit 6 new professional staff (perhaps including incumbent two RORs), to the two regions.**
  - 2. Relocate 2 professional officers from HQ to each of the two regions.**

- Currently ITTO has a total of 10 professionals (excluding ED and 3 Directors); with 2 in the regions and 8 at HQ.
- Option 1: Increase number professional staff from 10 to 14: (3 AF, 3 LAC and 8 HQ).
- Option 2: If 4 professionals relocated from HQ to current two regions, HQ will end up with only 4 professionals.
- Considering average division of labor between HQ and the Regions, this option may leave HQ with inadequate critical mass of professional officers.
- *(In this case, another scenario worth exploring would be to establish a third Regional Office for Asia outside Japan and have a minimal (or no) technical presence left at HQ??)*

## 6.3 Budgetary implications

- **Maintaining present system of ROs (i.e. business as usual scenario) may not imply additional financial commitments beyond those already approved by the ITTC.**
- **If ROs to be established in current two regions:**
  - Option 1: using current average annual expenditures per RO of \$ 285,000, total cost would be roughly \$1.0 – 1.3 \$mil. annually.**
  - Option 2: financial implications may not be significant. Total staff costs may be less considering relatively high cost of living allowance in Japan. However, there will be relocation expenses and not all existing staff would accept transfer with associated costs of separation .**

- **Potential cost saving by relocating professional officers from HQ to the Regional Offices would be in terms of travel and staff time costs.**
- **ITTO may wish to negotiate with other international organizations hosting new ROcs and granting ITTO staff immunities and privileges. Co-sharing offices and logistical and administrative support may lead to savings.**
- **Having only one ROr located at another organization may lead to savings and solve problems of immunities for current ROrs, but would not serve countries like an appropriately staffed ITTO Regional Office.**

## 6.4 Administrative procedures and legal matters

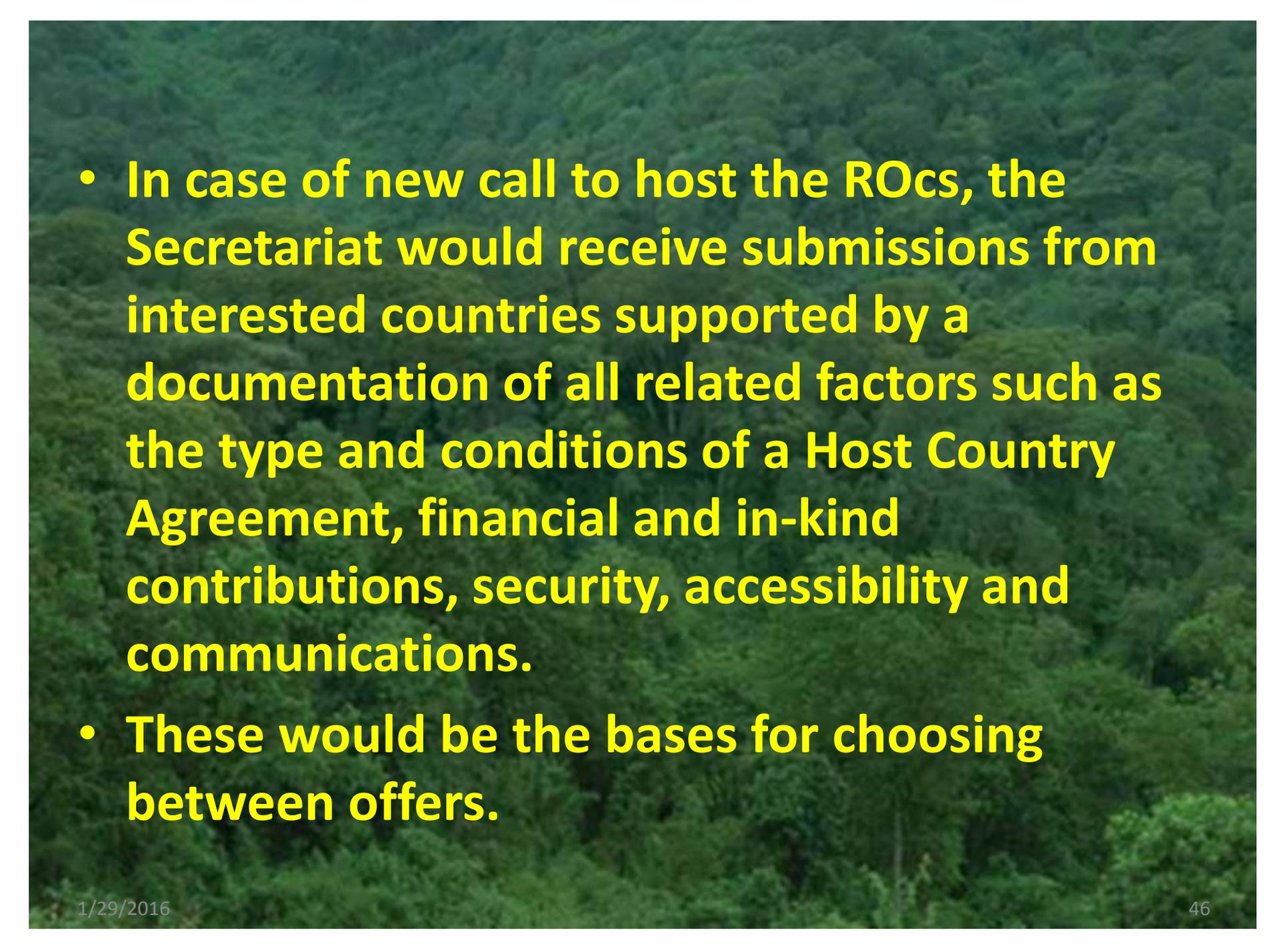
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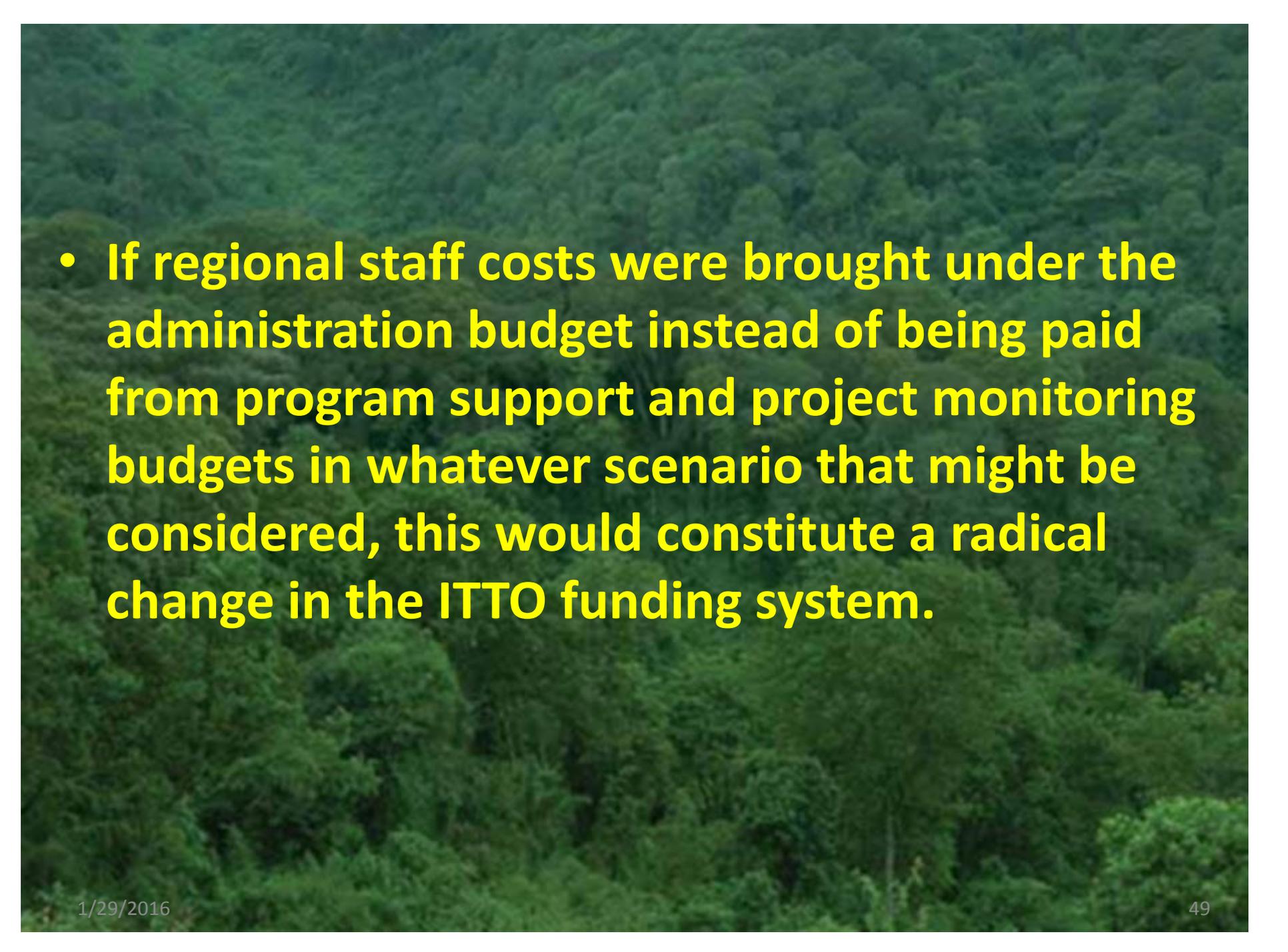
- If ROcs are to be established in LAC and AF, *presumably* preference will be given to current hosts of ROrs.
- So far, issues related to security, accessibility and communications are not a matter of serious concerns to current ROrs and may not change for ROcs however with additional staff and responsibilities.

- 
- **In case of new call to host the ROcs, the Secretariat would receive submissions from interested countries supported by a documentation of all related factors such as the type and conditions of a Host Country Agreement, financial and in-kind contributions, security, accessibility and communications.**
  - **These would be the bases for choosing between offers.**

## 7. Conclusions

- **While establishing appropriately staffed Regional Offices is technically feasible and would serve ITTO and its member countries better than the current two Regional Officers system, there are serious financial and administrative implications that must be considered in advance.**

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- **Current ITTO financial situation and additional funds expected in foreseeable future are not conducive to taking such a decision unless potential host countries committed to bear a substantial part of additional costs or some member countries commit long-term additional Voluntary Contributions earmarked for this purpose.**

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- **If regional staff costs were brought under the administration budget instead of being paid from program support and project monitoring budgets in whatever scenario that might be considered, this would constitute a radical change in the ITTO funding system.**

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**Thank you**