

Information Note no. 4 – March 2015

*Programmatic areas of emphasis and de-emphasis in 2016-17*

*Summary: The PWB 2016-17 specifies eight higher priority areas of work and thirteen areas of de-emphasis. These identified areas of emphasis and de-emphasis are further articulated in Annex, including quantification of resource reallocations as requested by the Programme and Finance Committees to facilitate consideration by Council. The proposed approach for providing FAO services to middle-income countries is also elaborated.*

**I. Policy Context and Process**

1. In preparing the Programme of Work and Budget 2016-17, the Director-General has identified areas of programmatic emphasis, de-emphasis and realignment within the technical and functional areas of work of the Organization. In the policy context of consolidating the transformation undertaken since 2012 while maintaining flexibility to adjust programmes and ways of working, the process was influenced by four main factors:

- a) guidance on priorities provided by the Regional Conferences and Technical Committees during 2014, including Regional Initiatives, as reviewed by the Programme and Finance Committees and Council;<sup>1</sup>
- b) recent trends and developments as set out in the reviewed Medium Term Plan 2014-17;<sup>2</sup>
- c) experience during 2014 in delivering the Strategic Objectives' work plans and corporate technical activities, as reported in the Mid-term Review synthesis report 2014;<sup>3</sup>
- d) capacity of countries and partners to take on some areas of work, including through strategic partnerships.<sup>4</sup>

2. The governing bodies have consistently underlined the importance of articulating areas of emphasis and de-emphasis in the programme of work.<sup>5</sup> At their separate sessions and Joint Meeting in March 2015, the Programme and Finance Committees requested the Secretariat to further articulate the identified areas of emphasis and de-emphasis to facilitate consideration of the proposals by the Council, including financial quantification, as well as Globally Important Agricultural Heritage Systems (GIAHS),<sup>6</sup> the proposed approach for providing FAO services to middle-income countries (MICs), and suggestions on how to better address the issue of antimicrobial resistance (AMR).<sup>7</sup> This note responds to these requests.

**II. Areas of emphasis and de-emphasis**

3. The PWB 2016-17 specifies eight higher priority areas of work, including GIAHS, in paragraph 72 and thirteen areas of de-emphasis and realignment in paragraph 75, while the Conference will consider the status of AMR through the Programme Committee and Council.

4. These identified areas of emphasis and de-emphasis are further articulated in Annex, as well as quantification of resource reallocations. It should be noted that many of the areas of de-emphasis include a consolidation and shift of resources within the area of work, such as for regional priorities, some of which are not included in the resource reallocations shown in paragraph 72 of the PWB document.

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<sup>1</sup> CL 150/LIM/6 (November 2014)

<sup>2</sup> C 2015/3 paragraphs 3-21

<sup>3</sup> PC 117/5 – FC 157/7

<sup>4</sup> JM 2014.2/2 (November 2014)

<sup>5</sup> CL 148/REP paragraph 7j, CL 150/REP paragraph 16b,

<sup>6</sup> CL 151/3 paragraph 20k, CL 151/4 paragraph 5d, CL 151/5 paragraph 5

<sup>7</sup> C 2015/28 and CL 151/4 paragraph 6



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5. The areas are grouped by how they were identified:
  - a) rationalization and better focus, including consolidation and reduced duplication across technical divisions;
  - b) programmatic areas of reduced demand, mainly due to increased country capacity and/or working through partnerships;
  - c) programmatic areas where FAO lacks comparative advantage or has completed work, and will completely disengage;
  - d) functional areas of work requiring additional resources or with internal savings.
6. As stated in the PWB document (paragraph 82), there may be further consolidation and reallocation of resources during the results-based biennial work planning process to be undertaken from July to October 2015, taking account of decisions and guidance of the Conference. These will be reported in the Adjustments to the PWB 2016-17 for consideration by the Council in December 2015.
7. The proposed approach for providing FAO services to middle-income countries is elaborated in Section III below. The request for further information on the use of TCP resources to help Small Island Developing States is treated in Information Note no. 5.

### **III. Approach to providing services to middle-income countries**

8. The Council at its 150<sup>th</sup> session in November 2014 “welcomed the synthesis of evaluations of middle-income countries and encouraged FAO to continue its proactive approach, including with regard to advocacy and South-South Cooperation”.<sup>8</sup> Middle-income countries are increasingly contributing to the global development agenda. Many are leading actors in South-South Cooperation (SSC), providing technical expertise and financial support to countries in the South. Others are also funding their own development by providing resources from their budgets via unilateral trust funds (UTFs), engaging a wide range of development actors to deliver on national goals. FAO has a notable track-record with middle-income countries in both regards.
9. A number of middle-income countries have expressed a strong interest in the establishment or strengthening of an FAO presence in their country. Due to the improvement in their overall economic conditions and their transition to middle-income or high-income status, several of these countries are now in a position to enter into a different type of partnership with FAO by providing assistance to other developing countries, and by making available the resources to cover some or all of the cost of technical assistance that they may still require from FAO.
10. In order to respond to this demand, FAO has developed the concept for a new type of FAO country office, which should be better suited to the needs of these Member Countries, as compared to a traditional FAO Representation.
11. The functions of this new type of country office will include, among others:
  - a) coordinating with the government a stronger participation of the country in FAO’s work and programmes at the national, subregional, regional and international levels;
  - b) enhancing the possibilities for cooperation between the country and FAO through development of trust fund projects, South-South Cooperation, developing the capacity of human resources, as well as strengthening the relationships with international cooperation agencies, as applicable;
  - c) promoting partnerships with the private sector, academic institutions, civil society organizations and non-governmental organizations, with a view to facilitating exchanges in matters related to governance of food security, technology transfer, training and research, and to improve access to scientific and technical information in agriculture, forestry, fisheries, trade, etc.;
  - d) cooperating with the government, civil society and the general public;

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<sup>8</sup> PC 116/7, CL 150/5, CL 150/REP paragraph 16f

- e) promoting knowledge sharing and dissemination on the issues associated with FAO's mandate; and
- f) ensuring that international organizations based in the country are informed of FAO's main policies and positions, including emergency appeals, and promoting increased cooperation and partnership with them.

12. The overall budget and the staffing of this new type of country office would depend on the level of activities and the programme portfolio that would be mobilized. The current FAO policy for this new type of country office is that any incremental cost related to the establishment of a new "Partnership and Liaison Office" or to the upgrade of an existing FAO Representation, will have to be covered by the requesting member country and would not result in any additional cost to the FAO Regular Programme budget.

13. FAO will analyze the cost of the various country offices in relation to a number of criteria including the size and complexity of the programmes being implemented in those countries. In conducting this exercise, due consideration will be given to the income status of the member country in a spirit of cost-sharing partnership and solidarity with more needy countries.

Area of work	Resources 2016-17 (USD million)		
	From De-emphasis	To emphasis	
		Internal Reallocation	PWB Reallocation
<b>A. Rationalization and better focus, including consolidation and reduced duplication across technical divisions</b>			
<p><i>Climate change and energy (paras 72b and 75m)</i></p> <p>Climate change work performed by the various technical units will be consolidated to increase effectiveness and work will focus on the more cross-sectoral contexts. FAO will avoid the implementation of stand-alone activities and enhance integrated support to member countries. Direct support to country requests on sustainable bioenergy will be gradually replaced with training of regional experts/centers of excellence that will provide such direct support. Two professional posts are transferred to NRC, a professional position in REU is reoriented to work on climate change, and a new position is created in NRC along with additional non-staff resources.</p>	(1.1)		2.5
<p><i>Geospatial Information Systems (para 75d)</i></p> <p>Work on geospatial information systems will be re-oriented to focus more on country-level and field implementation. Synergies across FAO and with partners will bring savings and minimize duplication. Scattered expertise and capacities are consolidated for enhanced FAO response to country and field level implementation.</p>	(1.0)		
<p><i>Nutrition (paras 72a and 75i)</i></p> <p>Following ICN2, FAO's nutrition activities will focus on supporting countries to meet the commitments made at ICN2. This will include de-emphasizing nutrition education curricular development and some food composition work in response to changing demands, and to focus more on policy support. FAO's food composition work will be more strategic and demand-driven by end-users for ensuring nutrition sensitive policies and programme interventions and move away from ad-hoc country support. Two new nutrition posts are created in ESN along with additional non-staff resources, and three new nutrition posts are created in the subregional offices in Africa.</p>	(1.5)		3.3
<p><i>Plant production (para 75a)</i></p> <p>Single crop based approaches will be de-emphasized to focus on more integrated sustainable production approaches such as rice-based production systems involving agro-forestry, aquaculture and ecosystem services, rather than rice alone. FAO has been supporting member countries to adopt more holistic, integrated approaches to sustainable crop production intensification. Six professional officers who are engaged in work related to individual crop and crop cluster development will redirect their work to areas with an increased focus on integrated sustainable approaches to plant production.</p>	(0.9)	0.7	

Area of work	Resources 2016-17 (USD million)		
	From De-emphasis	To emphasis	
		Internal Reallocation	PWB Reallocation
<p><i>Social protection and gender to address youth employment and migration (para 72e)</i></p> <p>Social protection is a relatively new area of work for FAO. As reported in the Mid-Term Review synthesis report 2014, it is necessary to enhance staff capacity and strengthen key partnerships. The Social Protection Division will rationalize its work on social protection in support of Strategic Objective 3, also to address the issues related to youth employment and migration. A new professional post is created in ESP and a new gender post in RNE, along with additional non-staff resources.</p>	(0.5)		1.5
<p><i>South South Cooperation and resource mobilization (para 72c)</i></p> <p>The South-South Cooperation and Resource Mobilization Division (TCS) has been restructured to focus its work in support of organizational units at headquarters and in decentralized locations in leadership and accountability for resource mobilization, South-South and Triangular Cooperation, and project cycle management and oversight. This includes the merger of two existing services in TCS dedicated separately to resource mobilization and South-South Cooperation respectively, the transfer of project cycle functions from OSD, the establishment of two cross-cutting teams, and the creation of a functional network of staff with related functions in regional offices and headquarters' units. In this regard, one new professional position is created in TCS and eight new positions are created in decentralized offices (three international professionals and five national professionals) along with transfer of non-staff resources.</p>	(1.8)		2.4
<p><i>Water and land resources (para 75l)</i></p> <p>Work on water governance is realigned to focus on cross-cutting issues such as water tenure to complement the work under the voluntary guidelines and to nexus approaches that allow for intersectoral cooperation, and to support work on water governance particularly in the Near East and North Africa (Regional Initiative on Water Scarcity). Technical support and backstopping on irrigation investment frameworks is de-emphasized, since this work is being done through the Investment Centre and external partners, with resources reallocated to support the GIAHS secretariat.</p>	(1.0)	0.4	
<p><i>Globally Important Agricultural Heritage Systems (GIAHS) (paras 72h and 202)</i></p> <p>The work on GIAHS primarily contributes to increased and improved provision of goods and services from agriculture, forestry and fisheries in a sustainable manner, and particularly to ecosystem management through integrated and multi-sectoral approaches. Some of the major components of the work done under GIAHS include the identification and safeguarding globally and locally of significant agricultural biodiversity, in-situ conservation and enhancement of rural livelihoods; the promotion of dynamic conservation concept and dissemination. Regular Programme resources will be reallocated for the GIAHS Secretariat to support one P-5 and one G-4 level staff during 2016-17. This will enable the smooth implementation of the functions of the GIAHS Secretariat, including oversight, management, coordination and implementation of the concept and its activities, with the understanding that the work on GIAHS will primarily rely on extrabudgetary funding.</p>			0.6

Area of work	Resources 2016-17 (USD million)		
	From De-emphasis	To emphasis	
		Internal Reallocation	PWB Reallocation
<b>B. Programmatic areas of reduced demand mainly due to increased country capacity and/or working through partnerships</b>			
<p><i>Fisheries and aquaculture (paras 72g and 75e)</i></p> <p>FAO's work on the development of new international instruments is driven by the Committee on Fisheries and no new instruments have been requested since 2012. Therefore, work on new international instruments related to fisheries and aquaculture can be de-emphasized to concentrate on implementation of existing instruments. Furthermore, work on aquaculture strategy development will be de-emphasized to focus on sustainable aquaculture practices. Staff and non-staff resources will be realigned accordingly, and two new aquaculture posts are created in decentralized offices.</p>	(1.2)	0.4	0.8
<p><i>Livestock (para 75g)</i></p> <p>Considering existing capacities at country level, work will be de-emphasized on animal diseases of either limited economic or food security value, and of those that address non-mainstream species. This will allow for more focus on transboundary animal diseases of concern to small holder communities, in particular the eradication of peste de petits ruminants (PPR), and support for work on antimicrobial resistance (AMR). Staff and non-staff resources will be realigned and extra-budgetary funding will be leveraged accordingly.</p>	(1.0)	0.8	
<p><i>Nuclear application techniques (Joint FAO/IAEA Division) (para 75h)</i></p> <p>Work will be de-emphasized in those areas in which the appropriate technologies have been largely developed and established: crop fertilization management, research and development on screwworm and moth pests, development of general breeding techniques, collection and conservation of mutant lines, and nuclear application in animal reproduction. Focus will be given to the transfer and application of these technologies in member countries, and to research and development on nuclear techniques for adaptation and resilience to climate change relating to transboundary animal and plant pests and diseases, including from insects. Staff and non-staff resources will be realigned accordingly.</p>	(0.7)	0.7	
<p><i>Partnership, advocacy and capacity development (75j)</i></p> <p>Phase out system support to initiatives such as AGRIS and AGROVOC, which will be increasingly handed over to partners; rationalize support to the Alliance Against Hunger and Malnutrition, subsuming some of the work under advocacy initiatives on the Right to Food through the parliamentary fronts; focus communication for development work on contributions to family farming; discontinue follow-up work concerning the 2004 World Summit on the Information Society.</p>	(0.5)		

Area of work	Resources 2016-17 (USD million)		
	From De-emphasis	To emphasis	
		Internal Reallocation	PWB Reallocation
<p><i>Statistics (para 72f)</i></p> <p>Headquarter based statistical capacity development work will be de-emphasized while field activities in statistics will be expanded in line with regional priorities and initiatives. Working with strategic partners, FAO data collection efforts in the area of trade and price statistics will be de-emphasized by utilizing data produced by other international organizations in the areas of trade and price statistics, while work in the areas of investment statistics and environmental accounting will be strengthened. FAO will also de-emphasize further on development of a composite index for food security, both for individual dimensions of food security and overall food security and shift focus to experience-based food security measures, notably the Food Security Experience Scale (FIES) and the Voices of the Hungry project. To this end, two professional statistician posts are moved to subregional offices and one statistician post is created in SAP.</p>	(0.6)		0.8
<p><i>Tenure (para 75c)</i></p> <p>Two years after endorsement of the Voluntary Guidelines on Responsible Governance of Tenure work on global level activities will be de-emphasized to focus on strong regional and country level support. Work will concentrate on capacity development and strengthening partnerships with non-state actors and other global networks at regional and national levels to ensure relevant impact in the field. Staff resources will be realigned accordingly.</p>	(0.3)	0.3	
<b>C. Programmatic areas where FAO lacks comparative advantage or has completed work, and will completely disengage</b>			
<p><i>Agro-industry and marketing (para 75b)</i></p> <p>FAO will completely disengage from market infrastructure (industries, buildings, sheds) development work. Front line support is expected to come more from national agencies that have now advanced capacities. The current country demand in the area of infrastructure is on investment where FAO has no comparative advantage. Even within FAO-World Bank Cooperative programme the share of the projects related to infrastructure has dramatically reduced in the recent years. Seven professionals who are engaged, in whole or in part, in the work related to support of market infrastructure development will be reoriented to work on food loss and waste reduction, value chain development, urban food systems, and gender aspects of agrifood systems.</p>	(0.8)	0.6	
<p><i>Forest industries (para 75f)</i></p> <p>FAO no longer has a comparative advantage as regards support to larger-scale forest industries. These industries are modernizing with support from private sector organizations. Instead FAO will strengthen its ongoing work in small forest enterprise development to enhance the capacity and sustainability of small-scale forest industries. Thus direct support to larger-scale forest industries will be de-emphasized and work refocused on strengthening capacities for small-scale forest industries in the context of small enterprise development and poverty reduction; work will be reduced on developing tools, methodologies and practices in forest harvesting that can be taken up by partner agencies. Staff and non-staff resources will be realigned accordingly.</p>	(0.5)	0.3	

Area of work	Resources 2016-17 (USD million)		
	From De-emphasis	To emphasis	
		Internal Reallocation	PWB Reallocation
<b>D. Functional areas of work requiring additional resources or with internal savings</b>			
<p><i>UN Resident Coordinator system cost-share (para 72d)</i></p> <p>An additional USD 2.3 million is provided through the FAOR network for the balance of FAO's cost share for the UN Resident Coordinator system, as encouraged by the Council (CL 148/REP paragraph 7f). In considering the Interim Report on the Quadrennial Comprehensive Policy Review (QCPR) of Operational Activities for Development of the UN System, the Conference in June 2013 took note of the cost-sharing arrangement amongst members of the UN Development Group of 4 April 2013 and requested FAO to implement the agreement to provide financial, technical and organizational support for the Resident Coordinator system. FAO's cost-share for 2014-15 was USD 4.3 million, of which USD 2.0 million was budgeted in the Adjustments to the PWB 2014-15 (CL 148/8 paragraphs 103-104). The full biennial cost-share of USD 4.3 million is now budgeted in the PWB 2016-17.</p>			2.3
<p><i>Investment in Information Technology (para 74a, 129-133 and 285)</i></p> <p>FAO is focusing IT infrastructure and support services investments on changing the paradigm of how these services are provided, with a fundamental shift towards exploiting the outsourcing opportunities now readily available in the IT marketplace. One impact of these opportunities is that there should be a reduction in requirements for future Capital Expenditure investments in IT infrastructure and systems. This is because the current fluctuating requirements to invest one-time in hardware, software and licenses would all but cease, and will be replaced by more predictable and transparent operational costs. Based on the current rate of use of Capital Expenditure and these innovations, the appropriation for Capital Expenditure is reduced by USD 5 million.</p>	(5.0)		
<b>Total</b>	<b>(18.4)</b>	<b>4.2</b>	<b>14.2</b>