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Продовольственная и
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Organización
de las
Naciones
Unidas
para la
Agricultura
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Alimentación

COMMITTEE ON CONSTITUTIONAL AND LEGAL MATTERS

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REFORM OF PROGRAMMING, BUDGETING AND RESULTS-BASED MONITORING

BACKGROUND

1. The Immediate Plan of Action (IPA) for FAO Renewal approved by the Conference at its Thirty-fifth (Special) Session deals extensively with the Reform of Programming, Budgeting and Results-Based Monitoring and includes the following general statement:

“In order to improve prioritisation, effectiveness, impact and oversight of FAO’s work, major reforms of programming and budgeting are proposed, including in the role of the Governing Bodies. Assessed contributions and extra-budgetary resources will be managed in a unified work programme, subject to the same planning and oversight, with encouragement to contributors of extra-budgetary funding to reduce earmarked and increase pool funding. Programming and budgeting documentation will be drawn up, reflecting a results based hierarchy which will be monitored and evaluated for results. The Council will propose the programme of work, the level of the assessed budget and provide an estimate of extra-budgetary funding to the Conference (budgetary data will be divided between administrative and programme budgets corresponding to the new organizational structure). The date of the FAO Conference will shift to June of the second year of each biennium, in order to facilitate an earlier decision on the final budget for assessed contributions and orderly planning and oversight of the definitive programme of work and budget” (paragraph 33).

2. For the sake of convenience, the full Action Matrix of the IPA related to this matter is attached as Appendix I. The IPA actions covered by this document are actions 3.1 to 3.11 which deal with the new programming, budgeting and results-based monitoring system, subject to the observations made in paragraph 6 below. **Appendix II contains a consolidated version of the amendments proposed in this document.**

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PRELIMINARY OBSERVATIONS

3. It is essential to keep in mind the **interrelated nature of the amendments to the Basic Texts** required for the implementation of the IPA actions addressed in this document. In addition, it is important to make two general observations in this regard.

4. The first is related to earlier discussions by the CCLM of criteria for distribution of proposed amendments in the Basic Texts. The structure of the Basic Texts is complex, consisting of instruments of different rank in the hierarchy of legal texts. As underscored by the CCLM at its 85th Session, the Constitution, the General Rules of the Organization (GRO) and the Financial Regulations should continue to contain the main rules and these should continue to be concise provisions of a general nature. Actions involving the preparation of detailed rules on processes, working methods and administrative structures, which may need to be adjusted from time to time, should be implemented through appropriate legal instruments, including Conference resolutions. On the basis of such criteria, some of the actions contained in the Action Matrix regarding the new programming and budgeting process involve changes to the Basic Texts, in particular to the GRO. The GRO are in general rather detailed, when compared with similar rules of other UN Specialized Agencies. For the sake of consistency and clarity, it would be legally correct to reflect some of the new procedures in the GRO. Other features of the new planning and budgetary approach do not require amendments to the GRO and should be reflected more adequately in a Conference resolution.

5. The second observation concerns the fact that many IPA actions on the new planning and budget process can be implemented under the existing legal framework of the Organization. In accordance with a general principle of economy when preparing or amending legal instruments, the Conference resolution outlining the new process should be restricted to setting forth flexible provisions, allowing for the implementation of the new process. The framework set out in the GRO, the Financial Regulations and the Conference resolution should not establish impediments to the future implementation of the new process.

6. This document addresses two issues: (a) changes in the dates of sessions of the Conference and Council¹ and (b) new procedures involved in the reform of programming, budgeting and results-based monitoring and related matters. The specific issue of the possibility of transferring up to 5% of each chapter appropriation to the next biennium will be addressed at a later stage, after review of the matter by the Finance Committee.

CHANGES IN DATES OF THE SESSIONS OF THE CONFERENCE AND COUNCIL

Sessions of the Conference

7. Under the new planning and budget process, in future the Conference will meet in June in the second year of the biennium, as set out in IPA actions 2.7 and 3.9. This will involve an amendment to Rule I, paragraph 1 of the GRO, addressed in document CCLM 86/3. The proposed revised text of Rule I, paragraph 1 is reproduced below:

Rule I ***Sessions of the Conference***

1. *The regular session of the Conference shall be held at the seat of the Organization in the months of June ~~October or November~~, unless it is convened*

¹ The change in the date of the session of the Conference is part of the reform of programming, budget and results based monitoring system, but it is proposed to deal with this item separately.

*elsewhere or at a different time in pursuance of a decision of the Conference at a previous session, or, in exceptional circumstances, of a decision by the Council (...)*².

Sessions of the Council

8. There is a need to make consequential amendments to Rule XXV of the GRO to bring it into line with revised Rule I, paragraph 1 and the new programme and budget process. Existing provisions of Rule XXV on the sessions of the Council are as follows:

Rule XXV

Sessions of the Council

1. *The Council shall hold a session as often as it considers necessary or on the call of its Chairman or the Director-General, or on request submitted in writing to the Director-General by five or more Member Nations.*

2. *The Council shall in any event hold three sessions between the regular sessions of the Conference, as follows:*

(a) *one session immediately after the regular session of the Conference;*

(b) *one session in the first year of the biennium approximately midway between the regular sessions of the Conference; and*

(c) *one session not less than 120 days before the regular session of the Conference.*

3. *At its session held immediately after a regular session of the Conference the Council shall:*

(a) *elect the Chairmen and Members of the Programme Committee and the Finance Committee, and the Members of the Committee on Constitutional and Legal Matters;*

(b) *take any action of an urgent nature arising out of decisions of the Conference.*

4. *At its session held in the first year of the biennium, approximately midway between the regular sessions of the Conference, the Council shall in particular conduct on behalf of the Conference a world review of the state of food and agriculture and exercise the function provided in paragraph 1 (b) of Rule XXIV of these Rules.*

5. *At its session held in the second year of the biennium, not less than 120 days prior to the regular session of the Conference, the Council shall in particular exercise the functions provided in paragraphs 1 (c), 2 (a) and, insofar as possible, those provided in paragraph 5 (b) of Rule XXIV of these Rules (...).*

² In this document, proposed amendments are not shown in track mode when they would result in “too loaded” and unclear texts. When this is so, existing provisions are reproduced in the document and these are followed by the revised text. Earlier discussions by the CCLM show that it is important for the Members to have a clear understanding of the existing Rules, on the one hand, and the amended Rules, on the other hand.

9. It is proposed to amend Rule XXV in order to reflect the following considerations.
- (a) Paragraph 1 of Rule XXV would remain unchanged, except that the number of Member Nations which could submit a request to the Director-General to convene a session should be increased in order to reflect the current membership of the Organization. The same approach was taken in respect of the number of Member Nations which can request the Director-General to convene a session of the Programme or Finance Committees³.
 - (b) The schedule of sessions of the Governing Bodies in Appendix 1 foresees two sessions of the Council in the first year of the biennium (towards the end of the second quarter and during the fourth quarter of the year) and at least two sessions in the second year of the biennium (at the beginning of the second quarter and during the fourth quarter of the biennium). While this is not referred to in the Action Matrix, it is proposed to maintain a short session following immediately the regular session of the Conference during the second year of the biennium. This would be in line with Action 2.19 which provides that Council will meet “normally a minimum of 5 sessions per biennium”. At present, immediately after the Conference, the Council holds a session to elect the members of the Programme Committee, the Finance Committee and the CCLM⁴, and to take any action of an urgent nature arising out of decisions of the Conference. It is proposed to maintain this session for the election of the members of the committees of restricted membership and to deal with any matters arising from the session of the Conference. Consultation with WHO confirms that it would be useful to maintain such a session because: (i) a number of matters arising out of the Conference may need to be addressed; and (ii) as a matter of good governance, the executive organ of the Organization should hold a short meeting after the biennial meeting of the main Governing Body⁵.
 - (c) The question arises as to whether Rule XXV, paragraph 4 of the GRO should be deleted. Under this provision, the Council is required to make, approximately midway before the Conference, “a world review of the state of food and agriculture” and tender advice on such matters to governments of Member Nations and other parties. As a body which will in future perform greater executive functions and no longer discuss global policy issues (action 2.23), there is less justification for the Council to systematically review the state of food and agriculture in the world and tender advice in that connection. For this reason it is proposed that existing Rule XXV, paragraph 4 be deleted. A related question is whether Rule XXIV, paragraph 1 (a) and (b) should also be deleted or amended. This matter will be addressed in another submission to the CCLM covering the Action Matrix on the Council.
 - (d) Rule XXV, paragraph 5 could be maintained but with some adjustments, and would be renumbered Rule XXV, paragraph 4. The session of the Council referred to in this paragraph would be held, in future, not less than 60 days prior to the regular session of the Conference. The reference to Rule XXIV, paragraph 1 (c) would be maintained, as at that session the Council would continue “*to draw up a provisional agenda*” for the Conference. The reference to the exercise, “insofar as possible”, of the functions set out in Rule XXIV, paragraph 5 (b) would be maintained, subject to the observations made in

³ CL 136/13, Report of the Eighty-fifth session of the Committee on Constitutional and Legal Matters, Rome 23-24 February 2009, pp. 10 and 12. This reflects the fact that, in 1957 when the existing provision was introduced, FAO had 75 Members and the membership of the Organization has increased substantially since then.

⁴ There may also be a need for the Council to elect Members of the Executive Board of the World Food Programme.

⁵ The Executive Board of Unesco holds a one day session after the Conference. The Governing Body of ILO also holds a one day session after the General Conference.

paragraphs 12 and 13 below. However, there would be a need to refer to new Rule XXIV, paragraphs 2 (a) and (b). A reference to new Rule XXIV, paragraph 2 (b) would be of importance given the strict requirement that the Council should make a recommendation on the level of the budget.

10. Taking into account the foregoing observations, Revised Rule XXV could read as follows:

Rule XXV
Sessions of the Council

1. The Council shall hold a session as often as it considers necessary or on the call of its Chairperson or the Director-General, or on request submitted in writing to the Director-General by fifteen or more Member Nations.

2. The Council shall in any event hold five sessions in a biennium as follows:

(a) one session immediately after the regular session of the Conference;

(b) two sessions in the first year of the biennium;

(c) one session not less than 60 days before the regular session of the Conference; and

(d) one session towards the end of the second year of the biennium.

3. At its session held immediately after a regular session of the Conference the Council shall:

(a) elect the Chairpersons and Members of the Programme Committee, the Finance Committee and the Committee on Constitutional and Legal Matters;

(b) take any action of an urgent nature arising out of decisions of the Conference.

4. At its session held in the second year of the biennium not less than 60 days prior to the regular session of the Conference, the Council shall in particular exercise the functions provided for in paragraphs 1 (c), 2 (a) and (b) and, insofar as possible, those provided for in paragraph 5 (b) of Rule XXIV of these Rules.

(other paragraphs of this Rule to be re-numbered).

11. The change in the dates of the session of the Conference and, to a lesser extent, in those of the Council sessions, associated with the new planning and budget process, will establish a new schedule of sessions of the other Governing Bodies, in particular the committees of restricted membership, the Technical Committees⁶ and the Regional Conferences. Relevant existing rules or proposed new rules under consideration allow considerable flexibility in convening the sessions of these bodies.

⁶ This will be the case, in particular, with the Technical Committees. In 1975 the Conference approved amendments to the GRO allowing the Committees to meet once or twice in the biennium, at any time, and to hold special meetings.

Related issues

12. There is a specific issue in relation to organizational arrangements that the Council performs at present *vis-à-vis* the Conference. As provided for in Rules VII and VIII of the GRO, and as reflected in Rule XXIV, paragraph 5 (b), the Council proposes candidates for the offices of Chairperson of the Conference, Chairpersons of the commissions of the Conference, three Vice-Chairpersons of the Conference, Members of the Credentials Committee and elected Members of the General Committee. In current practice, this process may require extensive consultation among Regional Groups which takes place both at the June session of the Council in Conference years and at the session of the Council immediately preceding the Conference. In particular, in connection with the nomination of the Chairpersons and Vice-Chairpersons of the Conference and the Chairpersons of the Commissions, it is not always possible to agree on nominations in June and these are made only at the pre-Conference session of the Council. This explains the wording of existing Rule XXV, paragraph 5, which states that at its session, held in the second year of the biennium, “*not less than 120 days prior to the regular session of the Conference, the Council shall in particular exercise (...) insofar as possible, those [functions] provided in paragraph 5 (b) of Rule XXIV of these Rules*”.

13. These considerations do not call into question the requirement that the Council should meet not less than 60 days before the opening of the Conference and that there should be no session immediately before the Conference (as is the case at present). However, practical adjustments to current practices regarding the nomination process might be required in future. The matter should be kept under review, and possible amendments to the GRO could be considered in light of experience⁷.

REFORM OF PROGRAMMING, BUDGETING AND RESULTS-BASED MONITORING

14. Some characteristics of the reform of programming, budgeting and results-based monitoring are important for the purposes of this document. These are (a) the abolition of the summary programme of work and budget and the preparation of a single set of budgetary documents; (b) the Strategic Framework and Medium-Term Plan and (c) the new procedures for programming, budgeting and results-based monitoring.

Abolition of the Summary Programme of Work and Budget

15. An important issue of a straightforward nature is that the step of the summary Programme of Work and Budget (SPWB), introduced in 1973 and 1975, is abolished. This involves a number of amendments to the GRO regarding the functions of the Council, the Programme Committee and the joint sessions of the Programme and Finance Committees, which contain at present extensive references to the SPWB, including timeframes for the submission of estimates related to the SPWB. This would also imply an amendment to the Financial Regulations⁸.

⁷ At present, the members of the Credentials Committee are nominated at the June session of the Council, several months before the Conference. The Credentials Committee starts before the Conference, and the nominations are confirmed by the Conference. This example shows that it is possible to reach agreement on nominations for a committee of the Conference several months before it starts.

⁸ A related question is whether there will be a need to continue to refer specifically to a draft Programme of Work and Budget. In FAO's past practice, a distinction used to be made between the outline Programme of Work and Budget, the summary Programme of Work and Budget, the draft Programme of Work and Budget, and the Programme of Work and Budget (after adoption). **These distinctions and, more generally, the approach to the preparation of the budget – discussed extensively in the past – have now been changed and there will be only a draft Programme of Work before adoption. In the Basic Texts of other UN organizations there is simply a generic reference to the budget without specifying whether or not it is a draft Programme of Work and Budget or a draft Budget.**

16. In this connection, on the advice of the CCLM at its Eighty-third session, the Conference decided in Resolution 1/2008, entitled “*Adoption of the Immediate Plan of Action (IPA) for FAO Renewal (2009-11)*”, that the Strategic Framework, the Medium-Term Plan and Programme of Work and Budget 2010-11 “*will be developed as specified in the Immediate Plan of Action, with no requirement for Summary Programme of Work and Budget*”. Therefore, as far as practicable given the transitional nature of this period, the planning and budgetary instruments are being prepared in 2009 for 2010-11 in accordance with the new scheme. The proposed amendments set out in this document in connection with the abolition of the SPWB do not call for specific observations.

Strategic Framework and Medium-Term Plan

17. Neither the Strategic Framework, nor the Medium-Term Plan, is the subject of specific provisions in the Constitution, the GRO or the Financial Regulations.

18. The Medium-Term Plan was introduced by Conference Resolution 10/89 entitled “*Review of certain aspects of FAO’s goals and operations*”. Through this resolution, the Conference decided –

“to introduce a rolling six-year medium-term plan covering three biennia which would deal with the setting of priority areas across the spectrum of the Organization’s programmes and activities and would serve as a basis for priority-setting in subsequent biennial Programmes of Work and Budget. It should take into account the close links between the Regular and Field Programme and if possible include a provisional indication of resources by programme; and requests the Director-General to prepare for the Twenty-sixth Session of the Conference (1991) the first version of such a plan, taking into account the views of Member Nations in particular those expressed in Regional Conferences, Council Committees, technical statutory bodies and in approved Action Plans”⁹.

19. The Strategic Framework was the result of an initiative of the Director-General endorsed by the Conference through Resolution 6/97¹⁰.

20. The Strategic Framework and Medium-Term Plan have been prepared and implemented, in their current format, on the basis of the above decisions of the Conference and under the legal framework established by the Constitution, the GRO and the Financial Regulations. As confirmed by consultation with WHO, the parallel planning instruments prepared at WHO are not foreseen explicitly in WHO’s Basic Texts¹¹. More specifically, information received from WHO confirms that the WHO “*General Programme of Work*” (equivalent to the Strategic Framework) and the “*Medium Term Strategic Plan 2008-2013*” (equivalent to the Medium-Term Plan), including the criteria and procedures followed for their preparation, were based entirely on work carried out by, and on the initiative of the secretariat, and no formal procedures to that effect were approved by any of the Governing Bodies of WHO. In this connection, reference was made to a need for

⁹ C 89/REP, paragraph 239.

¹⁰ C 97/REP, paragraph 101.

¹¹ However, the Constitution of WHO refers to a general programme of work, which was initially considered to be the normal programme of work of the Organization. It was not intended to be a long-term planning instrument.

flexibility in the preparation and review of these instruments also in consideration of the fact that the practice in the implementation of these new instruments was limited¹².

21. From a legal point of view, there would not be a fundamental need for substantial amendments to the GRO to reflect the proposed Strategic Framework and Medium-Term Plan and the related preparatory and adjustment processes, aside from explicit references to these new planning instruments. In particular, detailed rules especially on procedures for the preparation of these instruments might prove too rigid in future. Despite this, in the case of FAO, it would be desirable that the new approach towards programming, budgeting and results-based monitoring be reflected in the Basic Texts in a suitable manner, contrary to the approach taken at WHO. This is so, first, for general reasons of principle, as it would be appropriate that such important programming tools be referred to, in some way, in the Basic Texts. In addition, as mentioned above, the Basic Texts of FAO are far more detailed than the Basic Texts of WHO and, for reasons of consistency, it would be appropriate to reflect the new procedures in the Basic Texts. **Therefore, it is proposed to make explicit reference to the Strategic Framework and Medium-Term Plan in the GRO in connection with the Conference, the Council, the Programme Committee and the Finance Committee and the concurrent sessions and joint meetings of the Programme and Finance Committees.**

New procedures for programming, budgeting and results-based monitoring

22. Following inter-agency and internal consultation, it is proposed that the main features of programming, budgeting and results-based monitoring be set out in a resolution of the Conference. This resolution would be incorporated in the Basic Texts of the Organization (Volume II).

23. The content of the resolution should reconcile requirements of flexibility and precision. It could reflect the main features of the Strategic Framework, Medium-Term Plan and Programme of Work and Budget, through a reproduction of IPA actions 3.1 to 3.4. However, as regards procedural aspects, including the future pattern of sessions of the Governing Bodies, recent experience shows that too prescriptive provisions might not be appropriate as situations may arise where there would be a need to adjust the timing of sessions. Therefore, consideration could be given to adding to the resolution, as an annex thereto, the table with the schedule of sessions of the Governing Bodies subject, however, to a provision whereby the schedule of sessions may need to be adjusted.

Proposed amendments to the Basic Texts and draft Conference resolution

Conference

24. Consistent with earlier observations regarding the approach reflected in the GRO regarding the role and functions of the Conference¹³, a new sub-paragraph (iii) could be added to paragraph 2 (c) of Rule II of the GRO on the agenda of regular sessions of the Conference. The proposals reflect the fact that the Medium-Term Plan is prepared "*with a four time horizon and reviewed each biennium*" (IPA action 3.3.). Other sub-paragraphs of this Rule would need to be re-numbered.

¹² This does not mean however that, as is the case at WHO, no changes should be made to the GRO and the Financial Regulations to reflect the Strategic Framework, the Medium-Term Plan and the new process.

¹³ As the Conference is the supreme Governing Body competent with respect to all matters, the Basic Texts do not contain a detailed description of its functions. There is an assumption of general competence of the Conference.

Rule II
Agenda

Regular sessions

1. (...)
2. *The provisional agenda for a regular session shall include:*
(...)

(c) (...)

(...)

(iii) review of the Medium-Term Plan and, as appropriate, of the Strategic Framework;

(other paragraphs being re-numbered).

Council

25. The Council will play an important role in the process of preparation of the Strategic Framework and Medium-Term Plan and it would be necessary to reflect this role in paragraph 2 of Rule XXIV on the functions of the Council.

26. Existing paragraph 2 of Rule XXIV reads as follows:

2. *Current and prospective activities of the Organization, including its Programme of Work and Budget*

The Council shall:

- (a) *consider, and make recommendations to the Conference on, policy issues regarding:*
 - (i) *the summary and draft Programme of Work and Budget and supplementary estimates submitted by the Director-General for the following financial period;*
 - (ii) *the activities of the Organization in connection with the United Nations Development Programme;¹⁴*
- (b) *take any necessary action, within the approved Programme of Work and Budget, with respect to the technical activities of the Organization and report to the Conference on such policy aspects thereof as may require decisions by the Conference.*

¹⁴ This provision should be deleted in revised paragraph 2 of Rule XXIV as it reflects a situation where the United Nations Development Programme used to play a central role in financing field activities and constituted a major source of extra-budgetary funding. The same approach is being followed in respect of Rule XXVI regarding the functions of the Programme Committee.

27. Revised paragraph 2 of Rule XXIV – reflecting also the changes agreed upon as a result of the review by the CCLM of documents CCLM 84/3 (Technical Committees) and CCLM 84/4 (Ministerial Meetings)¹⁵ – would read as follows:

2. Current and prospective activities of the Organization, including its Strategic Framework, Medium-Term Plan and Programme of Work and Budget

The Council shall:

(a) consider and make recommendations to the Conference on the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget;

(b) make a recommendation to the Conference regarding the level of the budget;

(c) take any necessary action, within the approved Programme of Work and Budget, with respect to the technical activities of the Organization and report to the Conference on such aspects as may require decisions by the Conference;

(d) decide on such adjustments to the Programme of Work and Budget as may be required in light of the decisions of the Conference on the budget level;

(e) review, in accordance with Article V, paragraph 6 of the Constitution, the reports of the Committee on Commodity Problems, the Committee on Fisheries, the Committee on Forestry, the Committee on Agriculture and the Committee on World Food Security;

(f) review, in accordance with Article IV, paragraph 6 of the Constitution and Rule XXXV of these Rules the reports of the Regional Conferences¹⁶.

Programme Committee

28. Existing paragraph 7 of Rule XXVI of the GRO sets forth the functions of the Programme Committee, as follows:

7. *The Programme Committee shall have the following functions:*

(a) to review:

(i) the current activities of the Organization;

(ii) the summary and draft Programme of Work and Budget of the Organization for the ensuing biennium, particularly with respect to:

¹⁵ As set out in the report of the 85th Session of the CCLM, document CL 136/13, page 8.

¹⁶ Sub-paragraphs (e) and (f) were endorsed in earlier sessions of the CCLM.

- *content and balance of the programme, having regard to the extent to which it is proposed that existing activities be expanded, reduced in scope or discontinued;*
 - *the extent of coordination of work between the different technical divisions of the Organization and between the Organization and other international organizations;*
 - *the priorities to be given to existing activities, extension of such activities and to new activities;*
- (iii) *the programme aspects of the United Nations Development Programme with which the Organization is concerned;*
- (b) *to consider the matters listed in Rule XXVIII of these Rules;*
- (c) *to advise the Council on the long-term programme objectives of the Organization;*
- (d) *to adopt and amend its own rules of procedure, which shall be consistent with the Constitution and the General Rules of the Organization;*
- (e) *to consider any matters submitted to it by the Council or the Director-General;*
- (f) *to report to the Council or tender advice to the Director-General, as appropriate, on matters considered by the Committee.*

29. It is proposed to amend Rule XXVI on the functions of the Programme Committee to reflect its future functions in respect of the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget. Taking advantage of this review, it is also proposed to reconsider some of the provisions of this paragraph, such as the reference to the review of the programme aspects of the United Nations Development Programme (UNDP), as there is no reason to single out the activities of the UNDP.

30. Revised Rule XXVI, paragraph 7 could be worded as follows:

7. ***The Programme Committee shall have the following functions:***
- (a) ***to review:***
- (i) ***the current activities of the Organization;***
 - (ii) ***the Strategic Framework, as well as the long-term programme objectives of the Organization, and the Medium-Term Plan and any adjustments thereto;***
 - (iii) ***the Programme of Work and Budget of the Organization for the ensuing biennium, particularly with respect to:***
 - ***content and balance of the programme, having regard to the extent to which it is proposed that existing activities be expanded, reduced in scope or discontinued;***

- *the extent of coordination of work between the different technical divisions of the Organization and between the Organization and other international organizations;*
 - *the priorities to be given to existing activities, extension of such activities and to new activities;*
- (iv) *any required adjustments to the current Programme of Work and Budget, or to the Programme of Work and Budget for the next biennium as may be required in light of the decision of the Conference on the budget level¹⁷;*
- (b) *to consider the matters listed in Rule XXVIII of these Rules;*
- (c) *to adopt and amend its own rules of procedure, which shall be consistent with the Constitution and the General Rules of the Organization;*
- (d) *to consider any matters submitted to it by the Council or the Director-General;*
- (e) *to report to the Council or tender advice to the Director-General, as appropriate, on matters considered by the Committee.*
- (...) other paragraphs to be renumbered as appropriate.

Finance Committee

31. Rule XXVII, paragraph 7 (a) of the GRO reads as follows:

“7. The Finance Committee shall assist the Council in exercising control over the financial administration of the Organization and shall have, in particular, the following functions:

(a) to review the financial implications of the Director-General’s budgetary proposals including proposals for supplementary estimates, and to make recommendations thereon to the Council regarding important matters; (...)”

32. It is being proposed to confer upon the Finance Committee a role in the review of the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget with respect to “*management and administrative matters*”. Revised Rule XXVII, paragraph 7 (a) of the GRO would read as follows:

“7. The Finance Committee shall assist the Council in exercising control over the financial administration of the Organization and shall have, in particular, the following functions:

¹⁷ This specific function has been much discussed during the past few years and it is proposed that it be reflected in the revised functions of the Programme Committee.

(a) *to review the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget for the ensuing biennium, as well as the financial implications of the Director-General's budgetary proposals, including proposals for supplementary estimates, and to make recommendations thereon to the Council regarding important matters;*"

Concurrent sessions and joint meetings of the Programme and Finance Committees¹⁸

33. Rule XXVIII of the GRO entitled "*concurrent sessions and joint meetings of the Programme and Finance Committees*" reads as follows:

"1. *In the second year of the biennium, the Programme and the Finance Committee shall hold concurrent sessions. At these sessions the two Committees shall, inter alia, review separately the summary and draft Programme of Work and Budget submitted by the Director-General for the following biennium. The Programme Committee shall consider the programme and relevant financial aspects of the summary and draft Programme of Work, while the Finance Committee shall consider the financial aspects of the summary and draft Programme of Work and Budget without concerning itself with the merits of the Programme.*

2. *Towards the end of the concurrent sessions mentioned above, the two Committees shall hold joint meetings to consider:*

- (a) *the financial implications of the technical aspects of the summary and draft Programme of Work;*
- (b) *the implications of the summary and draft Programme of Work insofar as the level of the budget is concerned;*
- (c) *the financial implications with respect to future years of the activities provided for in the summary and draft Programme of Work and Budget;*
- (d) *the format to be adopted for the presentation of the summary and draft Programme of Work and Budget in order to facilitate the review thereof;*
- (e) *any other matters of joint interest to the two Committees which fall within their terms of reference.*

3. *The Programme and Finance Committees shall submit to the Council a consolidated report on such aspects of the draft Programme of Work and Budget as are of joint interest, setting out the main features thereof and emphasizing policy issues for consideration by the Council or the Conference".*

¹⁸ There is no need to amend the functions of the Finance Committee to reflect its involvement in the new planning and budgeting process. As at present, the functions of the Finance Committee in this respect are exercised under Rule XXVIII of the GRO and this would continue to be the case.

34. Rule XXVIII would need to be amended to reflect (i) the Strategic Framework and the Medium-Term Plan and the abolition of the SPWB as well as (ii) the need for greater flexibility in convening sessions of the Committees¹⁹. Revised Rule XXVIII could read as follows:

Rule XXVIII

Concurrent sessions and joint meetings of the Programme and Finance Committees

1. ***The Programme and the Finance Committees shall hold concurrent sessions as required . At these sessions the two Committees shall, inter alia, review separately the Medium-Term Plan, and the Programme of Work and Budget submitted by the Director-General for the following biennium. The Programme Committee shall consider the programme and relevant financial aspects of the Programme of Work, while the Finance Committee shall consider substantive aspects of management and administrative services and the overall financial aspects of the Programme of Work and Budget without concerning itself with the merits of the Programme.***
2. ***During the concurrent sessions mentioned above, the two Committees shall hold joint meetings to consider:***
 - (a) ***the financial implications of the technical, management and administrative aspects of the Programme of Work;***
 - (b) ***the implications of the Programme of Work insofar as the level of the budget is concerned;***
 - (c) ***the financial implications with respect to future years of the activities provided for in the Medium-Term Plan and Programme of Work and Budget;***
 - (d) ***the format to be adopted for the presentation of the Medium-Term Plan and Programme of Work and Budget in order to facilitate the review thereof;***
 - (e) ***any other matters of joint interest to the two Committees which fall within their terms of reference.***
3. ***The Programme and Finance Committees shall submit to the Council a consolidated report on such aspects of the Medium-Term Plan and Programme of Work and Budget as are of joint interest, setting out the main features thereof and emphasizing policy issues for consideration by the Council or the Conference.***
4. ***In the second year of the biennium, the Programme and Finance Committees shall consider and propose adjustments to the Programme of Work and Budget for the next biennium, as required in the light of the decisions of the Conference on the budget level.***

¹⁹ Rule XXVIII makes provision for the Committees to hold concurrent and joint meetings only in the second year of the biennium. However, in practice the Committees have held concurrent and joint sessions throughout the biennium and it would therefore be appropriate to reflect this situation in a revised Rule.

Financial Regulations

35. It would be necessary to make some limited amendments to Financial Regulation III, as it makes reference to (a) the summary budget and (b) a time frame for the submission of the “*detailed budget estimates for the ensuing financial period*”.

36. The reference to the “*summary*” budget was introduced in 1975 after the two step process of preparation of a summary PWB and of a draft PWB was formally introduced. As it is now proposed to abolish this step, it would be appropriate to amend this Regulation.

37. Financial Regulation 3.4 provides that the detailed budget estimates for the ensuing financial period “*shall be dispatched to all Member Nations and Associate Members not less than 60 days before the date fixed for the opening of the session [of the Conference]*”. The secretariat adheres to this regulation by ensuring that the draft PWB is circulated to Members by the deadline set out in the Regulation.

38. In order to reflect the abolition of the SPWB and the change in the schedule of sessions of the Governing Bodies, the following amendments to Financial Regulations 3.4 and 3.5 are proposed:

3.4 The Director-General shall submit to the regular session of the Conference detailed budget estimates for the ensuing financial period. The estimates shall be dispatched to all Member Nations and Associate Members not less than ~~45~~ 60 days before the date fixed for the opening of the session.

3.5 The Director-General shall arrange for the ~~summary~~ draft budget to be considered by the Council not less than ~~60~~ 90 days before the date fixed for the opening of the regular session of the Conference²⁰.

Draft Conference Resolution – Reform of Programming, Budgeting and Results Based Monitoring

39. It is proposed that more detailed components of the new programming, budgeting and results-based monitoring system, including procedural matters, reflecting the content of the relevant IPA Action Matrix, be incorporated in a Conference Resolution. For the reasons outlined above, it is proposed that the content of the draft Conference Resolution remain rather general, as compared with the detailed Action Matrix.

40. The Conference Resolution, to be included in the Basic Texts of FAO (Volume II), could read as follows:

CONFERENCE RESOLUTION

Reform of Programming, Budgeting and Results-Based Monitoring System

The Conference:

Considering that Conference Resolution 1/2008 “Adoption of the Immediate Plan of Action (IPA) for FAO Renewal (2009-11)” calls for a reform of programming, budgeting and results-based monitoring;

²⁰ The following alternative could be considered for Financial Regulation 3.5: “The Director-General shall arrange for the summary draft budget to be considered by the Council at the session held before not less than 90 days before the date fixed for the opening of the regular session of the Conference”.

Noting that this decision involves amendments to the Basic Texts, in particular to the General Rules of the Organization and the Financial Regulations, to make provision for the Strategic Framework, the Medium-Term Plan and establish a basis for revised arrangements for the preparation of the Programme of Work and Budget;

Noting further that it is highly desirable to define in a resolution of the Conference the main features of the new Programming, Budget and Results-Based Monitoring while allowing for the necessary managerial flexibility;

Noting also that the new Programming, Budgeting and Results-Based Monitoring System involves important changes in the cycle of sessions of the Governing Bodies of the Organization, in particular of the Conference, in accordance with amendments made to Rule I, paragraph 1 of the General Rules of the Organization, and of the Council in accordance with amended Rule XXV of the General Rules of the Organization;

Emphasizing that, under the above revised Rules, and the framework established by the General Rules of the Organization and the Rules of Procedure of the Programme and the Finance Committees, the Technical Committees and the Regional Conferences will need to change the cycle of their sessions in order to play their due roles in the new Programming, Budgeting and Results-Based Monitoring System;

1. *Decides to introduce revised programme and budget documentation consisting of the following components which, as appropriate, could be incorporated in a single document:*

- (a) *a Strategic Framework prepared for a period of ten to fifteen years, reviewed every four years and including, inter alia, an analysis of the challenges facing food, agriculture and rural development and populations dependent thereon, including consumers; a strategic vision, the goals of Members in areas of FAO's mandate, as well as Strategic Objectives to be achieved by Members and the international community with support from FAO, including targets and indicators of achievement;*
- (b) *a Medium-Term Plan covering a period of four years and reviewed each biennium, including:*
 - (i) *Strategic Objectives for achievement by Members and the international community with support from FAO, in accordance with the Strategic Framework;*
 - (ii) *Frameworks for organizational results including specific outcomes which shall contribute to the achievement of the Strategic Objectives by FAO Members and the international community. Insofar as possible organizational results will have specific achievement targets, performance indicators, relevant assumptions, show the contribution of FAO and indicate the budgetary provisions from assessed contributions and estimated extra-budgetary resources, which may condition the attainment of targets. Gender will be integrated into the Strategic*

Framework and Medium-Term Plan and the Plan of Action on Gender will be discontinued;

- (iii) *an identification of impact focus areas, as priority groups of results aimed at mobilizing extra-budgetary resources, improving oversight of extra-budgetary resources in key impact areas and increasing coherence between activities financed by the Regular Programme and extra-budgetary resources;*
 - (iv) *functional objectives aimed at ensuring that organizational processes and administration work towards improvements in a results-based framework.*
- (c) *a Programme of Work and Budget covering biennial periods, clearly identifying the share of resources devoted to administrative work, anchored in a results-based framework and including the following elements:*
- (i) *organizational results framework (outcomes) established in accordance with the Medium-Term Plan, including organizational responsibility for each result;*
 - (ii) *quantification of costs for all organizational results and related commitments;*
 - (iii) *calculation of cost increases and planned efficiency gains;*
 - (iv) *provision for long-term liabilities and reserve funds;*
 - (v) *a draft Conference resolution of approval of the programme of work and the appropriations.*

2. *Decides to introduce a revised system of monitoring of performance based on achievement of planned results, including a revised biennial Programme Implementation Report. Each report will cover the previous biennium and provide information on delivery, targets and indicators of results, as well as efficiency indicators for functional objectives.*

3. *Decides to introduce a revised schedule of sessions of the Governing Bodies of the Organization for the implementation of the new Programming, Budget and Results-Based Monitoring system. The revised schedule of sessions will take into account the fact that the Conference shall hold its regular session in June of the year prior to the beginning of the biennium and will allow the Governing Bodies to participate in the process of preparation and adjustment of the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget and to monitor performance against relevant performance indicators. The new schedule of sessions of the Governing Bodies will be generally in accordance with the attached table, subject however to necessary adjustment to meet unforeseen circumstances or particular requirements.*

41. The CCLM is invited to review the draft Conference Resolution and advise whether it reflects a suitable compromise between requirements of flexibility and precision in the definition of the activities to be carried out in the implementation of the reform of the programming, budgeting and results-based monitoring system.

42. The CCLM is also invited to determine that the Resolution should be incorporated into the Basic Texts.

SUGGESTED ACTION BY THE COMMITTEE

43. The Committee is invited to review this document and make such recommendations thereon as appropriate. The Committee is, in particular, invited to:

- (a) Endorse the general approach proposed to implement the actions required for the reform of programming, budgeting and results-based monitoring involving amendments to the GRO and the adoption of a Conference Resolution reflecting the main features of the new process;
- (b) Note the proposed amendment to Rule I, paragraph 1 of the GRO on the date of the regular session of the Conference, as per document CCLM 86/3 (cf. paragraph 7);
- (c) Endorse the proposed amendment to Rule XXV of the GRO on the sessions of the Council (cf. paragraph 10);
- (d) Note that some adjustments might need to be made in future to the functions performed by the Council with regard to the sessions of the Conference, under Rules VII of the GRO (cf. paragraphs 12 and 13);
- (e) Endorse the proposed amendment to Rule II, paragraph 2 (c) of the GRO on the agenda of the Conference (cf. paragraph 24);
- (f) Endorse the proposed amendment to Rule XXIV, paragraph 2 of the GRO on the functions of the Council (cf. paragraph 27);
- (g) Endorse the proposed amendment to Rule XXVI, paragraph 7 of the GRO on the functions of the Programme Committee (cf. paragraph 30);
- (h) Endorse the proposed amendment to Rule XXVII, paragraph 7 (a) of the GRO on the functions of the Finance Committee (cf. paragraph 32);
- (i) Endorse the proposed amendment to Rule XXVIII of the GRO on concurrent sessions and joint meetings of the Programme and Finance Committees (cf. paragraph 34);
- (j) Endorse the proposed amendment to Financial Regulations 3.4 and 3.5. (cf. paragraph 38);
- (k) Endorse the proposed draft Conference Resolution – Reform of programming, budgeting and results-based monitoring (cf. paragraph 40).

APPENDIX I

**C. Reform of Systems, Programming & Budgeting
Culture Change and Organizational Restructuring**

REFORM OF PROGRAMMING, BUDGETING AND RESULTS-BASED MONITORING

1) In order to improve prioritisation, effectiveness, impact and oversight of FAO's work, major reforms of programming and budgeting are proposed, including in the role of the Governing Bodies. Assessed contributions and extra-budgetary resources will be managed in a unified work programme, subject to the same planning and oversight, with encouragement to contributors of extra-budgetary funding to reduce earmarking and increase pool funding. Programming and Budgeting documentation will be drawn up, reflecting a results-based hierarchy which will be monitored and evaluated for results. The Council will propose the programme of work, the level of the assessed budget and provide an estimate of extra-budgetary funding to the Conference (budgetary data will be divided between administrative and programme budgets corresponding to the new organizational structure). The date of the FAO Conference will shift to June of the second year of each biennium, in order to facilitate an earlier decision on the final budget for assessed contributions and orderly planning and oversight of the definitive programme of work by the Governing Bodies.

Reform of Programming, Budgeting and Results Based Monitoring – Action Matrix

Ref. N.	Ref. IEE Rec	Actions	Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
					Investment	Recurrent per biennium
3.1	7.1, 7.2 & 3.19	Introduction of revised Programme and Budget Documentation consisting of the following sections, which may be presented as a single document to avoid repetition and provide a complete picture (first full approval 2009 for 2010-2011 biennium):	Conference	2009 – continuing – first full cycle 2010-2011	0.2	0.8
3.2		i) Strategic Framework with a 10-15 year time horizon reviewed every four years and including: <ul style="list-style-type: none"> • Analysis of the challenges facing food, agriculture and rural development and the dependent peoples, including consumers, • Strategic Vision, • The Goals of Member Nations, and Strategic Objectives for achievement with support from FAO by Member Countries and the international community, including indicative targets and indicators of achievement (some 8-12);				
3.3		ii) Medium Term Plan with a four year time horizon and reviewed each biennium, including: <ul style="list-style-type: none"> • Strategic Objectives for achievement with support from FAO by Member Countries and the international community, as per the Strategic Framework, • Organizational Results framework (outcomes) – a maximum of some 80 inclusive of the core functions, contributing to the achievement of Strategic Objectives by Member Countries and the international community. Each Organizational Result will have specified achievement targets and indicators for verification, show FAO's contribution and indicate the budget from assessed contributions and estimated extra-budgetary resources (targets may be conditioned upon level of extra-budgetary resources) Gender will be fully integrated into the Strategic Framework and Medium Term Plan and will no longer have a separate Plan of Action, 				

		Actions	Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Actions			Investment	Recurrent per biennium
3.4		<ul style="list-style-type: none"> • Impact Focus Areas which combine results, which focus resources as a communication tool, serving to mobilise and improve oversight of extra-budgetary resources in key impact areas, • Core Functions of FAO, and iii) Functional Objectives which ensure organizational processes and administration work towards improvements in a Results Based Framework;				
3.5		iv) Programme of Work and Budget , each covering a single biennium, with the budget divided between an administrative budget and a programme budget presented in a results based framework and providing: <ul style="list-style-type: none"> • Organizational Results framework (outcomes) as per the Medium Term Plan, including the organizational responsibility for each result; • Quantification of costs for all Organizational Results and all obligations • Calculation of cost increase and planned efficiency savings, • Provision for long-term liabilities, under-funded obligations and reserve funds • Draft Programme and Budget resolution. v) The summary Programme of Work and Budget will be eliminated in view of the ongoing interaction of the Governing Bodies in the Programme development process.				
3.6	7.5	Introduction of a Revised Implementation Performance Results Based Management monitoring system and report: Each report will cover the previous biennium and report on delivery, and targets and indicators of results as well as efficiency indicators for the functional objectives. This report will replace the current Programme Implementation Report	Council	First report 2012 and then each biennium	0.4	0
3.7	7.3	Introduction of revised cycle of preparation and Governing Body decision making (see Chart 1 below for sequencing). The date of the FAO Conference will move to June , starting from 2011, with a corresponding shift in the dates of all other meetings (the Council will meet in September 2009 in order to prepare the Conference – in line with the new cycle). The following full cycle will be introduced starting 2010 (for budgetary provision for meetings – see B Governance Reform):	Conference	Decision 2009 First full cycle 2010-11 and then continuing for subsequent biennia	0	0
3.8		i) <u>Year 1 of the biennium</u> (with at least two meetings of the Council): <ul style="list-style-type: none"> • the Technical Committees will review and make recommendations, with respect to their areas of mandate, on: FAO performance in contributing to results against performance indicators, including any pertinent evaluations, and <ul style="list-style-type: none"> ◆ priorities and results planned under the Medium Term Plan, including in areas of global governance, and suggest adjustments for the next biennium; • The Regional Conferences will with respect to their Regions, review and make recommendations on: <ul style="list-style-type: none"> ◆ FAO performance in contributing to results against performance indicators, including any pertinent evaluations; ◆ priorities and results planned under the Medium Term Plan, and suggest adjustments for the next biennium; and ◆ policy issues for the region to be considered at global level or through additional action at regional level. 				

		Actions	Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Actions			Investment	Recurrent per biennium
		<ul style="list-style-type: none"> • The Council and the Programme and Finance Committees with respect to their areas of mandate, will review and make decisions on: <ul style="list-style-type: none"> ◆ the performance implementation report for the previous biennium, including performance against indicators; ◆ major evaluations; ◆ budgetary and implementation performance in the second half of the year; ◆ any necessary adjustments in the agreed Programme of Work and Budget; ◆ approve in advance requested reallocations between Chapters. 				
3.9		ii) <u>Year 2 of the biennium</u> (with at least two and probably three main meetings of the Council): <ul style="list-style-type: none"> • <u>Throughout the year</u> the Programme and Finance Committees and the Council will review and make decisions on any necessary adjustments in the agreed Programme of Work and Budget and approve in advance any requested reallocations between Chapters; • January - March: the Programme and Finance Committees and the Council will review the proposed Medium Term Plan and Programme of Work and Budget and in every second biennium, the Strategic Framework; • January –March: - not as part of the Governing Body cycle of meetings - an informal meeting will be held of interested members and other potential sources of extra-budgetary funds and partnership, to exchange information on extra-budgetary funding requirements, especially in relation to Impact Focus Areas; • March/April: The Council will make explicit recommendations to the Conference for the Results Framework and budgetary aspects, including the budget level; • June: The Conference will approve the Results Framework and budgetary aspects including the budget level; and • September – November: the Programme and Finance Committees and the Council will if necessary consider and approve any changes in the Results Framework and budgetary allocations following the Conference decision on the budget level. 				
3.10	7.3	Introduce necessary Basic Text changes for Programme and Budget cycle including the timing of Governing Body sessions	Conference	2009	0	0
3.11	8.17	In addition to capital account and TCP, introduce provisions for roll-over of up to five percent of the assessed budget, between biennia, in order to smooth income and expenditure, thus reducing wasteful and inefficient transactions.	Conference	2009	0	0

Schedule for Governing Body Input and Oversight Under The Reformed Programming, Budgeting and Results Based Monitoring Systems

Process		YEAR 1				YEAR 2			
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
PLANNING	Review Implementation Performance Strategic Framework (Alternate biennia)	RC	PC/FC CL	TC	PC/FC CL	EB	PC/FC CL	CONF	PC/FC CL
	MTP-PWB (Next biennium)	Input on Priorities				Review/Approval			
IMPLEMENTATION MONITORING	Implementation Review and Adjustment (Current Biennium)	Input on Priorities				Review/Approval			
	Results (Previous Biennium)	Adjustment							
EVALUATION	Impact								

Legend: RC: Regional Conference MTP: Medium-Term Plan	TC: Technical Committees of Council PC: Programme Committee PWB: Programme of Work and Budget	FC: Finance Committee EB: Extra-Budgetary	CL: Council CONF: Conference
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APPENDIX II

AMENDMENTS TO THE BASIC TEXTS

Rule I (GRO)**Sessions of the Conference**

1. *The regular session of the Conference shall be held at the seat of the Organization in the months of ~~June October or November~~, unless it is convened elsewhere or at a different time in pursuance of a decision of the Conference at a previous session, or, in exceptional circumstances, of a decision by the Council (...)²¹.*

Rule XXV**Sessions of the Council**

1. *The Council shall hold a session as often as it considers necessary or on the call of its Chairperson or the Director-General, or on request submitted in writing to the Director-General by fifteen or more Member Nations.*

2. *The Council shall in any event hold five sessions in a biennium as follows:*

- (a) *one session immediately after the regular session of the Conference;*
- (b) *two sessions in the first year of the biennium;*
- (c) *one session not less than 60 days before the regular session of the Conference; and*
- (d) *one session towards the end of the second year of the biennium.*

3. *At its session held immediately after a regular session of the Conference the Council shall:*

- (a) *elect the Chairpersons and Members of the Programme Committee, the Finance Committee and the Committee on Constitutional and Legal Matters;*
- (b) *take any action of an urgent nature arising out of decisions of the Conference.*

4. *At its session held in the second year of the biennium not less than 60 days prior to the regular session of the Conference, the Council shall in particular exercise the functions provided for in paragraphs 1 (c), 2 (a) and (b) and, insofar as possible, those provided for in paragraph 5 (b) of Rule XXIV of these Rules.*

(other paragraphs of this Rule to be re-numbered).

²¹ In this document, proposed amendments are not shown in track mode when they would result in "too loaded" and unclear texts. When this is so, existing provisions are reproduced in the document and these are followed by the revised text. Earlier discussions by the CCLM show that it is important for the Members to have a clear understanding of the existing Rules, on the one hand, and the amended Rules, on the other hand.

Rule II
Agenda

Regular sessions

1. (...)
2. *The provisional agenda for a regular session shall include:*
 - (...)
 - (c) (...)
 - (...)
 - (iii) *review of the Medium-Term Plan and, as appropriate, of the Strategic Framework;*

(other paragraphs being re-numbered).

Rule XXIV (GRO)
Functions of the Council

2. Current and prospective activities of the Organization, including its Strategic Framework, Medium-Term Plan and Programme of Work and Budget

The Council shall:

- (a) *consider and make recommendations to the Conference on the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget;*
- (b) *make a recommendation to the Conference regarding the level of the budget;*
- (c) *take any necessary action, within the approved Programme of Work and Budget, with respect to the technical activities of the Organization and report to the Conference on such aspects as may require decisions by the Conference;*
- (d) *decide on such adjustments to the Programme of Work and Budget as may be required in light of the decisions of the Conference on the budget level;*
- (e) *review, in accordance with Article V, paragraph 6 of the Constitution, the reports of the Committee on Commodity Problems, the Committee on Fisheries, the Committee on Forestry, the Committee on Agriculture and the Committee on World Food Security;*

(f) review, in accordance with Article IV, paragraph 6 of the Constitution and Rule XXXV of these Rules the reports of the Regional Conferences²².

Rule XXVI, paragraph 7 (GRO)
Programme Committee

7. The Programme Committee shall have the following functions:

(a) to review:

- (i) the current activities of the Organization;**
- (ii) the Strategic Framework, as well as the long-term programme objectives of the Organization, and the Medium-Term Plan and any adjustments thereto;**
- (iii) the Programme of Work and Budget of the Organization for the ensuing biennium, particularly with respect to:**
 - content and balance of the programme, having regard to the extent to which it is proposed that existing activities be expanded, reduced in scope or discontinued;**
 - the extent of coordination of work between the different technical divisions of the Organization and between the Organization and other international organizations;**
 - the priorities to be given to existing activities, extension of such activities and to new activities;**
- (iv) any required adjustments to the current Programme of Work and Budget, or to the Programme of Work and Budget for the next biennium as may be required in light of the decision of the Conference on the budget level²³;**

(b) to consider the matters listed in Rule XXVIII of these Rules;

(c) to adopt and amend its own rules of procedure, which shall be consistent with the Constitution and the General Rules of the Organization;

²² Sub-paragraphs (e) and (f) were endorsed in earlier sessions of the CCLM.

²³ This specific function has been much discussed during the past few years and it is proposed that it be reflected in the revised functions of the Programme Committee.

- (d) *to consider any matters submitted to it by the Council or the Director-General;*
- (e) *to report to the Council or tender advice to the Director-General, as appropriate, on matters considered by the Committee.*
- (...) other paragraphs to be renumbered as appropriate.

Rule XXVII, paragraph 7 (a) (GRO)
(Finance Committee)

7. The Finance Committee shall assist the Council in exercising control over the financial administration of the Organization and shall have, in particular, the following functions:

- (a) *to review the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget for the ensuing biennium, as well as the financial implications of the Director-General's budgetary proposals, including proposals for supplementary estimates, and to make recommendations thereon to the Council regarding important matters.*

Rule XXVIII
Concurrent sessions and joint meetings of the Programme and Finance Committees

1. The Programme and the Finance Committees shall hold concurrent sessions as required. At these sessions the two Committees shall, inter alia, review separately the Medium-Term Plan and the Programme of Work and Budget submitted by the Director-General for the following biennium. The Programme Committee shall consider the programme and relevant financial aspects of the Programme of Work, while the Finance Committee shall consider substantive aspects of management and administrative services and the overall financial aspects of the Programme of Work and Budget without concerning itself with the merits of the Programme.

2. During the concurrent sessions mentioned above, the two Committees shall hold joint meetings to consider:

- (a) *the financial implications of the technical, management and administrative aspects of the Programme of Work;*
- (b) *the implications of the Programme of Work insofar as the level of the budget is concerned;*
- (c) *the financial implications with respect to future years of the activities provided for in the Medium-Term Plan and Programme of Work and Budget;*

- (d) *the format to be adopted for the presentation of the Medium-Term Plan and Programme of Work and Budget in order to facilitate the review thereof;*
- (e) *any other matters of joint interest to the two Committees which fall within their terms of reference.*

3. *The Programme and Finance Committees shall submit to the Council a consolidated report on such aspects of the Medium-Term Plan and Programme of Work and Budget as are of joint interest, setting out the main features thereof and emphasizing policy issues for consideration by the Council or the Conference.*

4. *In the second year of the biennium, the Programme and Finance Committees shall consider and propose adjustments to the Programme of Work and Budget for the next biennium, as required in the light of the decisions of the Conference on the budget level.*

Financial Regulations 3.4 and 3.5

3.4 *The Director-General shall submit to the regular session of the Conference detailed budget estimates for the ensuing financial period. The estimates shall be dispatched to all Member Nations and Associate Members not less than ~~45~~ 60 days before the date fixed for the opening of the session.*

3.5. *The Director-General shall arrange for the ~~summary~~ draft budget to be considered by the Council not less than ~~60~~ 90 days before the date fixed for the opening of the regular session of the Conference²⁴.*

CONFERENCE RESOLUTION

Reform of Programming, Budgeting and Results-Based Monitoring System

The Conference:

Considering that Conference Resolution 1/2008 “Adoption of the Immediate Plan of Action (IPA) for FAO Renewal (2009-11)” calls for a reform of programming, budgeting and results-based monitoring;

Noting that this decision involves amendments to the Basic Texts, in particular to the General Rules of the Organization and the Financial Regulations, to make provision for the Strategic Framework, the Medium-Term Plan and establish a basis for revised arrangements for the preparation of the Programme of Work and Budget;

²⁴ The following alternative could be considered for Financial Regulation 3.5: “The Director-General shall arrange for the ~~summary~~ draft budget to be considered by the Council at the session held before ~~not less than 90 days before the date fixed for the opening of the regular session of the Conference~~”.

Noting further that it is highly desirable to define in a resolution of the Conference the main features of the new Programming, Budget and Results-Based Monitoring while allowing for the necessary managerial flexibility;

Noting also that the new Programming, Budgeting and Results-Based Monitoring System involves important changes in the cycle of sessions of the Governing Bodies of the Organization, in particular of the Conference, in accordance with amendments made to Rule I, paragraph 1 of the General Rules of the Organization, and of the Council in accordance with amended Rule XXV of the General Rules of the Organization;

Emphasizing that, under the above revised Rules, and the framework established by the General Rules of the Organization and the Rules of Procedure of the Programme and the Finance Committees, the Technical Committees and the Regional Conferences will need to change the cycle of their sessions in order to play their due roles in the new Programming, Budgeting and Results-Based Monitoring System;

1. *Decides to introduce revised programme and budget documentation consisting of the following components which, as appropriate, could be incorporated in a single document:*

- (a) *a Strategic Framework prepared for a period of ten to fifteen years, reviewed every four years and including, inter alia, an analysis of the challenges facing food, agriculture and rural development and populations dependent thereon, including consumers; a strategic vision, the goals of Members in areas of FAO's mandate, as well as Strategic Objectives to be achieved by Members and the international community with support from FAO, including targets and indicators of achievement;*
- (b) *a Medium-Term Plan covering a period of four years and reviewed each biennium, including:*
 - (i) *Strategic Objectives for achievement by Members and the international community with support from FAO, in accordance with the Strategic Framework;*
 - (ii) *Frameworks for organizational results including specific outcomes which shall contribute to the achievement of the Strategic Objectives by FAO Members and the international community. Insofar as possible organizational results will have specific achievement targets, performance indicators, relevant assumptions, show the contribution of FAO and indicate the budgetary provisions from assessed contributions and estimated extra-budgetary resources, which may condition the attainment of targets. Gender will be integrated into the Strategic Framework and Medium-Term Plan and the Plan of Action on Gender will be discontinued;*
 - (iii) *an identification of impact focus areas, as priority groups of results aimed at mobilizing extra-budgetary resources, improving oversight of extra-budgetary resources in key impact*

areas and increasing coherence between activities financed by the Regular Programme and extra-budgetary resources;

- (iv) functional objectives aimed at ensuring that organizational processes and administration work towards improvements in a results-based framework.*
- (c) a Programme of Work and Budget covering biennial periods, clearly identifying the share of resources devoted to administrative work, anchored in a results-based framework and including the following elements:*
 - (i) organizational results framework (outcomes) established in accordance with the Medium-Term Plan, including organizational responsibility for each result;*
 - (ii) quantification of costs for all organizational results and related commitments;*
 - (iii) calculation of cost increases and planned efficiency gains;*
 - (iv) provision for long-term liabilities and reserve funds;*
 - (v) a draft Conference resolution of approval of the programme of work and the appropriations.*

2. Decides to introduce a revised system of monitoring of performance based on achievement of planned results, including a revised biennial Programme Implementation Report. Each report will cover the previous biennium and provide information on delivery, targets and indicators of results, as well as efficiency indicators for functional objectives.

3. Decides to introduce a revised schedule of sessions of the Governing Bodies of the Organization for the implementation of the new Programming, Budget and Results -Based Monitoring system. The revised schedule of sessions will take into account the fact that the Conference shall hold its regular session in June of the year prior to the beginning of the biennium and will allow the Governing Bodies to participate in the process of preparation and adjustment of the Strategic Framework, the Medium-Term Plan and the Programme of Work and Budget and to monitor performance against relevant performance indicators. The new schedule of sessions of the Governing Bodies will be generally in accordance with the attached table, subject however to necessary adjustment to meet unforeseen circumstances or particular requirements.
