

The FAO Revised Programme Model (Objectives, Results, Budget Hierarchy)

I. Background

1. The IEE found that while the FAO programme and budget model was generally sound, key aspects of its implementation were flawed, including lack of clarity on strategic direction and priorities, weak means-to-ends linkages, insufficient critical mass of programme entities and projects, and insufficient incentives for inter-disciplinary work (see *Annex I*). The IEE also found that the timing of the budget decision was out of phase with the planning cycle, creating significant additional work for Members and the Secretariat.
2. Management proposals to address these shortcomings, through a revised programme model, were reviewed by the Working Groups on 26 February (I and III), 19 March (III), and 28 March (II and III). The model proposed provides for: i) clear means-ends linkages and accountability for the achievement of results; ii) rationalized documentation; iii) streamlined internal programme planning; and iv) strengthened Governance input, review and approval.
3. As requested by Members at the Working Group meeting of 28 March, Management has prepared this document to provide:
 - a. a revised elaboration of the programme cycle, taking into account comments and conclusions of the Working Groups to date; and
 - b. clarification of the level of detail proposed for consideration by the Conference in the form of two worked examples of the results hierarchy, demonstrating how an Organizational Result might be presented with associated targets, indicators and resources.

II. Principles and concepts

4. The revised programme model provides for clear means-ends linkages through a simplified “cascading” results hierarchy, and accountability for the achievement of results through measurable indicators and targets covering all organizational units and sources of funds.
5. The proposed hierarchy of results would consist of: Global Goals of Members (3); Strategic Objectives (about 12); and Organizational Results or Outcomes (about 80). A comparison with the current programme model is provided in *Annex II*, and definitions of key terms are given in *Annex III*. While the number of Global Goals and Strategic Objectives remains essentially unchanged compared with the current model, the 80 Organizational Results (Outcomes) represent a significant consolidation versus the 185 programme entities in the current programme structure.
6. The substance of each level of the hierarchy would be determined in log-frame fashion, “flowing” from the Global Goals and formulated with results, indicators, targets, and specifying the related assumptions and risks.
 - a. **Strategic Objectives** would be higher level results to be achieved by Members (in countries, regions and globally), and would take account of regional and sub-regional priorities.

- b. FAO would be principally accountable for the achievement of **Organizational Results (Outcomes)**, which would represent the first step in the cause-and-effect chain beyond the products and services that FAO produces, i.e. requiring take-up and use by *primary users*.
- c. **Priority Themes** would be proposed by the Secretariat and agreed by the Governing Bodies. They would serve to focus priorities over a medium-term period, highlight the benefit FAO intends to help Members achieve in selected priority areas building on Organizational Results (Outcomes), and catalyze the mobilization of extra-budgetary resources.
- d. Priorities would be determined starting from an agreed set of criteria: supportive of Members' goals and strategic objectives; stated priority of Members; comparative advantage and partnerships; likelihood of sustainable outcomes and impact.
- e. The model would encompass all sources of funds, allowing to address expressed needs through priority themes and National Medium Term Priority Frameworks.

III. Planning documents

7. Planning documents and related processes would be rationalized along the lines of the WHO model as suggested by the IEE, facilitated by a change of the date of the Conference to June of the second year of the biennium. This would result in one consolidated MTP/PWB document that would present:
- a. Formulation of each of the twelve Strategic Objectives, with high level indicators and targets;
 - b. Formulation of each of the approximately 80 Organizational Results (Outcomes). To improve accountability for results in the context of biennial implementation monitoring and reporting, indicators and targets would be developed for both the PWB (2-year) and MTP (proposed 4-year) time horizons;
 - c. Resources required in order to achieve each of the Strategic Objectives and Organizational Results (Outcomes), specified per biennium of the MTP; the 2-year PWB estimate would include a further breakdown for each Strategic Objective, specifying location (Headquarters and Regions) and source of funding (Regular Programme and Extra-budgetary);
 - d. Other financial or programmatic information, as requested by Governing Bodies to facilitate deliberations.
8. A diagrammatic representation of the conceptual model and planning documents is provided in *Annex IV*. Two "worked examples" are provided in *Annex V*, illustrating the type of information to be included in the MTP/PWB document. The two mock-ups provide details on resources and examples of results for a hypothetical cross-cutting Strategic Objective (Emergencies) as well as a sectoral Strategic Objective (Forestry).

IV. Streamlined internal programme planning cycle

9. The role of the Secretariat (management) is to:
- a. propose programme priorities based on agreed criteria, specify results, develop reasonable indicators of performance with baselines and targets, and set forth resource requirements to deliver the programme and achieve objectives;
 - b. implement programmes, aligning incentives and practices to support achievement of objectives, consistent with Organizational risk profile; and
 - c. monitor and evaluate performance, make adjustments based on lessons learned and report on results to Members.

10. In preparing the MTP/PWB, the Secretariat would take into account Governing Body guidance on:
 - a. priorities, as provided during year 1 of the biennium through the Regional Conferences, Technical Committees, Programme/Finance Committees (PC/FC) and Council (CL);
 - b. possible adjustments following feedback from the PC/FC and CL in the first and second quarters of year 2;
 - c. fine-tuning and further adjustments based on the actual budget level decided at Conference in June of year 2, for review by PC/FC and endorsement by CL in the latter part of year 2.

11. The *internal secretariat processes* would be organized as follows:
 - a. Early in the fourth quarter of biennium year 1, all offices (headquarters and decentralized) would begin preparing their medium-term and biennial contributions to Organizational Objectives, based on the priorities expressed by Members and other inputs and guidance from the technical and regional conferences, in particular identifying any emerging areas and shifts of emphasis;
 - b. Consultations would be held between headquarters and decentralized structures to agree on a draft set of medium-term and biennial priorities, results and associated resources. This draft would be consolidated early during year 2 for consideration by Members;
 - c. Any necessary adjustments to the MTP/PWB arising from Governing Body deliberations would be taken into account by the Secretariat in finalizing the document.

V. Governance inputs under the new process

12. The role of the Governing Bodies is to provide:
 - a. overall vision, objectives and priorities, and resources to deliver the approved programme;
 - b. input and feedback at various levels and stages of the planning cycle; and
 - c. oversight through monitoring and evaluation to ensure a supportive environment to results-based management.

13. A timeline elaborating the proposed governance review and approval cycle is attached as *Annex VI*, covering the following aspects:
 - a. Timely regional and technical inputs are provided on priorities by shifting the dates of Technical Committees to the second/third calendar quarter of biennium year 1, with the Regional Conferences remaining in the first/second calendar quarter of year 1.
 - b. The Council would meet in the last quarter of year 1 in order to review and validate the Priority Themes and Strategic Objectives, and propose modifications as necessary.
 - c. A meeting of Members could be usefully convened in the early part of year 2 of the biennial cycle to examine priority themes and overall extra-budgetary requirements emerging from the MTP/PWB preparation process; this would facilitate the mobilization of resources and the integration of extra-budgetary funding, and help to improve predictability of extra-budgetary provisions.
 - d. Consideration of the MTP/PWB by the PC/FC in the first quarter of biennium year 2 and CL in the second quarter of biennium year 2; the Secretariat would make any required adjustments to the proposals to be put to Conference based on the guidance provided at these meetings.
 - e. Approval of an overall programme of work and budget level in June by Conference;
 - f. If the budget level adopted by Conference were to vary from the Secretariat proposal, the Secretariat would fine-tune the Programme of Work and specify results in accordance

with an agreed prioritization framework, for review by the Programme and Finance Committees, and endorsement by Council in the fourth quarter of year 2.

Annex I – Summary of IEE Findings on the Programme-Budget Cycle

IEE findings and recommendations

The IEE reviewed FAO's programme cycle in Chapter 7 of its report, covering programme planning and budget, monitoring and evaluation, and oversight and audit. It concluded that FAO needs a clearly enunciated strategy covering the full range of FAO products to at least 2015.

The IEE found that while the programme and budget model was generally sound, key aspects of its implementation were flawed, including lack of clarity on strategic direction and priorities, weak means-to-ends linkages, insufficient critical mass of programme entities and projects, and insufficient incentives for inter-disciplinary work. The main weaknesses identified were:

- priorities and results specified at the micro (programme entity) level but not at the macro (strategic objective) level;
- repetitive internal and Governing Body planning and review processes due to timing of planning cycle, documents and budget decisions;
- extra-budgetary funds largely excluded from the process;
- results-based management not well-integrated into Organizational practices and culture;
- decentralized offices isolated from planning and budgeting processes;
- lack of central office to coordinate and consolidate decisions on strategy, programmes and resources.

Using WHO as a best practice comparator, the IEE recommended revisiting and modifying FAO's strategic planning, priority setting and programming and budget process and documentation along the following lines:

- fully integrate extra-budgetary funds into all aspects of programming;
- prioritize programme and focus on definition of results, introducing a limited number of time-bound priority technical "themes" integrating advocacy, normative and technical cooperation work;
- streamline internal processes and documentation; given the urgency of reaching consensus on priorities and direction in the context of the IPA, initially combining the SF and MTP, and eventually combining the MTP and PWB for setting priorities and budget level (eliminating the SPWB in both cases);
- change the timing of the Conference to June to set the budget level and allow for detailed planning of the approved resource level prior to commencement of the biennium.

Annex II – Summary and Comparison Table - Proposed vs Current Programme Planning Model

	Proposal	Current
Results Hierarchy	<ul style="list-style-type: none"> • Three (3) Global Goals of Members • 5-6 Themes within - 10-14 Strategic Objectives “SOs” – all funding sources (formulated) • 80 Organizational Results – all funding sources (formulated¹) 	<ul style="list-style-type: none"> • Three (3) Global Goals of Members • Five (5) Member Strategies, 12 Strategic Objectives (not formulated) • (42 Programmes)/185 Programme Entities (“PEs”) (formulated) • Extra-budgetary Projects (formulated)
Planning documents prepared by secretariat	<p><i>Transitional Planning Cycle</i> (IPA 2009-2011)</p> <ul style="list-style-type: none"> • Elements of a Strategic Framework (10 year) and MTP (4 year) • Elaborated combined MTP (4 year) and PWB (2 year) <p><i>Subsequent Planning Cycles</i> (2012+)</p> <ul style="list-style-type: none"> • Strategic Framework (10 year) • Combined MTP (4 year) and PWB (2 year) 	<ul style="list-style-type: none"> • Strategic Framework (15 year) • Medium-Term Plan “MTP”(6 year), “rolling” • Summary Programme of Work and Budget “SPWB” (2 year) • Programme of Work and Budget “PWB” (2 year)
Level of Planning Detail (MTP and PWB) ²	<p>Combined MTP/PWB:</p> <ul style="list-style-type: none"> • Prioritization and formulation of SOs and formulation of Organizational Results • 2 and 4-year targets for Org Results • 2 and 4-year total resources for Org Results • 2-year SO resources, by funding source and location 	<p>Medium-Term Plan</p> <ul style="list-style-type: none"> • Prioritization and formulation of Programme Entities (“PEs”) • 6-year total resource estimates • Indicative 6-year resources for SOs <p>Summary/Full PWB</p> <ul style="list-style-type: none"> • Total Resources by Programme Entity • Extra-budgetary resources by Programme
GB Review / Approval	<p>Combined MTP/PWB</p> <ul style="list-style-type: none"> • Year 1: Regional Conferences Q1; Technical Committees Q3; CL Review of Priority Themes Q4; • Year 2: Meeting on voluntary funding Q1; PC/FC/CL Q1- 	<ul style="list-style-type: none"> • MTP (Fall, Year 1 - CL) • SPWB (Spring, Year 2 – PC/FC/CL) • PWB (Fall, Year 2 – PC/FC/CL/CONF) - Budget Approved November

¹ “Formulated” is used to signify that the results are specified along with indicators, targets, etc.

² For the “FAO Current” column, pertains to the most recent preparation cycle for each of the documents, i.e. MTP 2006-11 and PWB 2008-09.

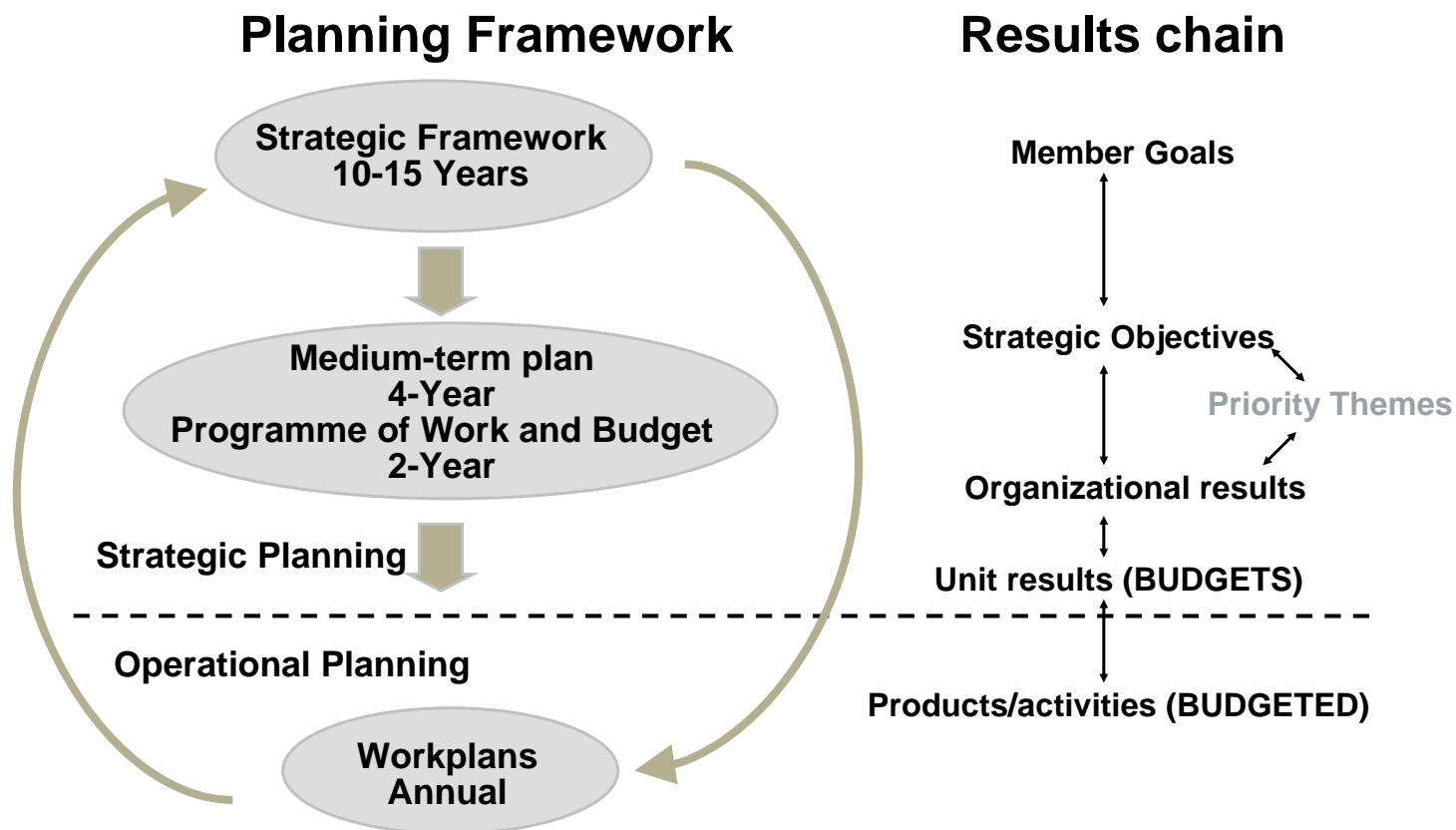
	Q2; CONF Q2; PC/FC/CL Q3-Q4	
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Annex III – Definition of Key Terms of Results Hierarchy

- **Global Goals of Members** refer to the overarching and interrelated goals that FAO is committed to helping its Members achieve. These goals form the apex of the results hierarchy, cascading down to those aspects for which a contribution is expected from FAO in view of its mandate and sphere of competence and taking into account the outcomes of key global fora, in particular the World Food Summit, and the internationally agreed development goals.
- **Vision** defines where the organization wants to be in the future. It reflects the optimistic view of the organization's future. The vision statement also communicates both the purpose and values of the organization. For employees, it gives direction about how they are expected to behave and inspires them to give their best. For Members, it shapes their understanding of how and why they should work with the organization.
- **Strategic Objectives** are the benefits or changes expected to be achieved in a given time frame (e.g. 10-15 years) in Member country institutions, the international community or development partners. In terms of the log-frame, these benefits represent several steps in the causal chain beyond the immediate result of the uptake of FAO's products and services by its *primary users*, building on the related Organizational Results (see below). Hence Strategic Objectives will not be achieved by FAO itself, but rather by Members based on the value added that FAO provides, and in view of identified dependencies and assumptions on developments elsewhere.
- **Priority Themes** help focus priorities over a medium-term period (four years), contributing to the achievement of Strategic Objectives. These themes, which are often, but not exclusively cross-cutting, highlight the benefit FAO intends to help Members achieve in selected priority areas building on Organizational Results (see below) related to the selected area. The Themes help to catalyze the mobilization of extra-budgetary resources to complement the Regular Programme resources, by providing a communication and advocacy tool for high profile work. Importantly, this is also intended to facilitate less rigidly tied and pooled funding of extra-budgetary resources, as well as facilitating Governing Body oversight of the use of those resources in line with agreed priorities.
- **Organizational Results (Outcomes)**: These represent the products and services which FAO commits itself to deliver to Member Countries and the international community in a time-frame of four years and the outcomes which result from the taking up and use of these products and services by users, in order to contribute to the achievement of Strategic Objectives. Organizational results or outcomes will normally be the responsibility of one or a small group of organizational units. Organizational results or outcomes represent the first-order level of results in the causal chain beyond what FAO produces, i.e. requiring up-take and use by *primary user* groups, and are stated in terms of what it is expected to be the result of the application by these primary users. In order to be able to measure and report on the achievement of organizational results, indicators, means of verification, baselines and targets are formulated related to a given timeframe.

Annex IV – Conceptual Model and Planning Documents

Means-Ends Hierarchy – FAO Programme Planning Model



Annex V – Worked Example of Formulation and Budget Detail**Strategic Objective: Improved preparedness for, and effective and sustainable response to, food and agricultural emergencies**

Indicators and Targets:					
<ul style="list-style-type: none"> • Number of countries with institutional response capacity to respond to extreme climatic events • Number of countries that have adapted agricultural practices to respond to extreme climatic events • Number of countries with policies and investment frameworks in place to favour the transition from emergency relief to sustainable reconstruction • Proportion of countries responding to emergencies that have effectively utilized early warning information to respond to emergencies 					
Resources by Biennium					
Biennium 1			Biennium 2		
9 600			9 100		
Resources by Location - Biennium 1 (US\$ 000s)					
Headquarters	Africa	Latin America & Caribbean	Near East	Asia Pacific	Europe
1 600	1 600	1 600	1 600	1 600	1 600
Resources by Funding Source - Biennium 1 (US\$ 000s)					
Assessed		Voluntary		Total	
6 000		3 600		9 600	

Organizational Result No. 1: Stakeholders at global, national and local levels have made more informed decisions based on food and agriculture crisis early warning information provided by FAO through improvement of timeliness and accuracy of communication and	Indicators	
	Number of countries that have utilized FAO assistance to build capacity to analyze early warning data	Proportion of countries responding to emergencies demonstrating rapid, accurate communications
	Baseline	
	11 Countries	50 Percent
	PWB (2-year) Targets	
	15 Countries	60 Percent
	MTP (4-year) Targets	
	23 Countries	75 Percent
Resources (USD 000)		

building of relevant analytical capacities at country level.	Biennium 1	Biennium 2
	3 000	3 100

Organizational Result No. 2: Governments, civil society and communities are better prepared to respond to food and agricultural emergencies through support to contingency planning in collaboration with WFP and other partners, and by building institutional response capacity and identifying and adapting agricultural practices to respond to extreme climatic events.	Indicators	
	Number of countries using support provided by FAO and its Partners to establish contingency planning systems.	Number of countries using FAO guidelines and studies to identify agricultural practices at-risk to extreme climatic events for adaptation.
	Baseline	
	11 Countries	50 Countries
	PWB (2-year) Targets	
	15 Countries	60 Countries
	MTP (4-year) Targets	
	23 Countries	75 Countries
	Resources (USD 000)	
	Biennium 1	Biennium 2
4 200	3 900	

Organizational Result No. 3: Effective response framework based on livelihood assessment ensured through preparation, funding, coordination and implementation of compelling evidence-based plans of action for rural livelihood recovery.	Indicators	
	Number of countries using FAO assessment tools and methodologies to prepare evidence-based, coordinated plans of action for rural livelihood recovery following an emergency	Proportion of countries developing plans of action for rural livelihood recovery that have allocating funding from within their national budgets for implementation.
	Baseline	
	11 Countries	50 Percent
	PWB (2-year) Targets	
	15 Countries	60 Percent
	MTP (4-year) Targets	
	23 Countries	75 Percent
	Resources (USD 000)	
	Biennium 1	Biennium 2
2 400	2 100	

Strategic Objective: The world's forests are sustainably managed

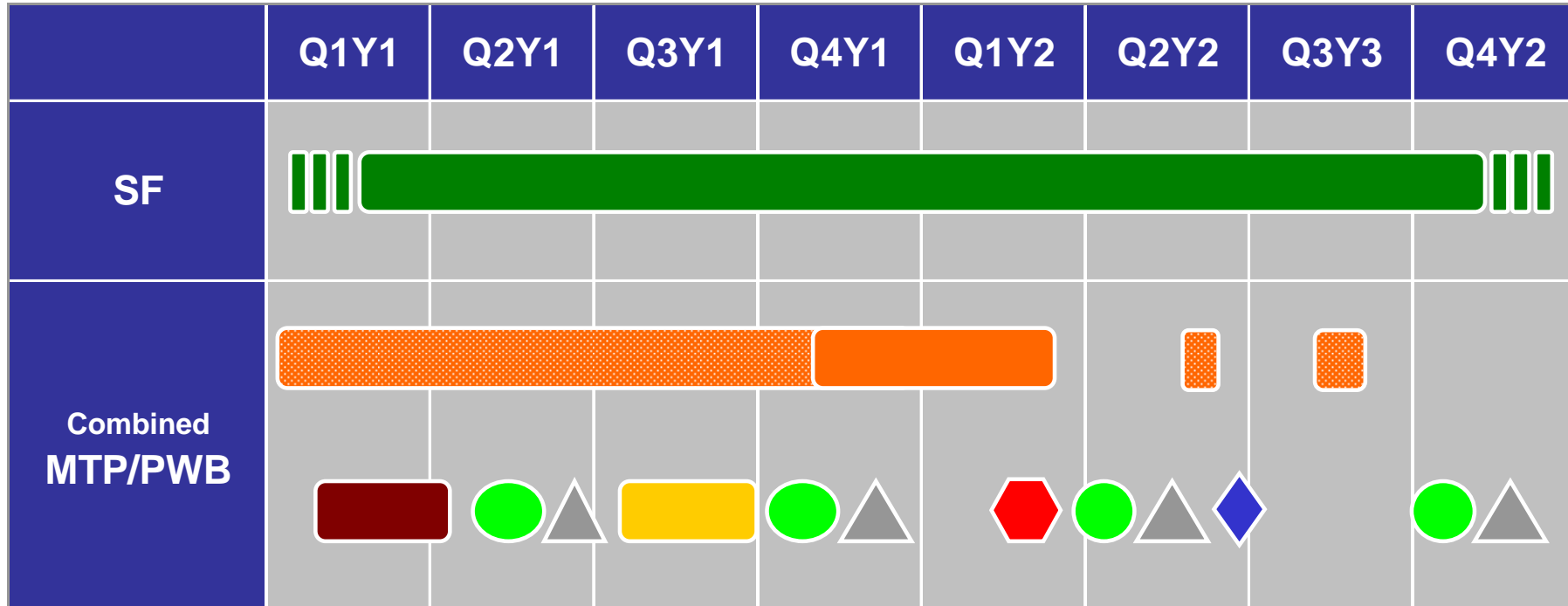
Indicators and Targets					
<ul style="list-style-type: none"> • Area of forest converted to other uses reduced (15 year target: by half) • Forest area with approved management plans increased (4 year target: doubled) • Forest area protected for biodiversity conservation increased (15 year target: 20% increase) • Forest policies, laws, and institutions are strengthened and updated (15 year target: 80 countries) 					
Resources by Biennium					
Biennium 1			Biennium 2		
9 600			9 100		
Resources by Location - Biennium 1 (US\$ 000s)					
Global	Africa	Latin America & Caribbean	Near East	Asia Pacific	Europe
1 600	1 600	1 600	1 600	1 600	1 600
Resources by Funding Source - Biennium 1 (US\$ 000s)					
Assessed		Voluntary		Total	
6 000		3 600		9 600	

Organizational Result No. 1: Decisions about forestry, forests and trees are based on timely and accurate information provided or facilitated by FAO. Information and capacity building support provided by FAO has an impact on countries' efforts to reduce deforestation and forest degradation. An increasing area of forest is managed under internationally agreed standards and guidelines.	Indicators	
	Number of countries that implement FAO "national forest assessments" or "integrated land use assessments"	Forest area managed under agreed standards and guidelines.
	Baseline	
	12 countries	10 %
	PWB (2-year) Targets	
	18 countries	15 %
	MTP (4-year) Targets	
	26 countries	20 %
	Resources (USD 000)	
	Biennium 1	Biennium 2
4 000	4 200	

Strategic Objective: The world's forests are sustainably managed

Organizational Result No. 2: The contributions of forests and forestry to food security and society are increased, including the role of forests in livelihoods and poverty alleviation. Investments in forestry are increased, and forestry is accorded an increasing priority in development. Countries have effective support to address cross-sectoral conflicts in national planning processes. Countries address issues related to the interface between agriculture, livestock and forests, including the sustainable development of bio-energy resources and the sound management and protection of water resources; effective land management planning results in improved land use.	Indicators	
	The number of countries with good institutional capacity to manage their forests and to implement progressive forest policies is increased. Participatory processes such as national forest programmes are operational.	The number of countries that effectively address cross-sectoral issues and conflicts between forest and agricultural land uses through integrated assessments and planning is increased.
	Baseline	
	30 countries	40 countries
	PWB (2-year) Targets	
	35 countries	45 countries
	MTP (4-year) Targets	
	40 countries	50 countries
	Resources (USD 000)	
	Biennium 1	Biennium 2
4 000	3 900	

Annex VI –Programme Planning, Review and Approval Cycle



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Secretariat process
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Conference
- 
EB Meeting
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Programme & Finance Comm.
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Council
- 
Technical Committees
- 
Regional Conferences