

Draft Resource Mobilization Strategy

1. Analysis of needs and FAO's comparative advantages

1. The resource mix at the disposal of the Organization to carry out its work has been evolving, with extrabudgetary expenditure having risen to the same level as that under the Regular Programme (RP) in 2006-07. Nonetheless, the IEE found that: a) there are gaps in the funding of key areas; b) proposals for use of extrabudgetary resources do not systematically demonstrate how they will contribute to the Organization's agreed outcomes and outputs, and that improvements are needed to ensure that extrabudgetary funds complement the Regular Programme to achieve corporate targets and results; c) there is the need to better integrate requirements arising from national, sub-regional and regional programmes; and d) there are issues about the volatility and earmarking of current extrabudgetary funding.

2. The IEE recommended that a coherent and dynamic Resource Mobilization Strategy should be put in place around Impact Focus Areas (known as Priority Themes in the IEE Report) and national medium-term priority frameworks. This document presents a possible strategy for consideration by CoC-IEE Working Groups I and III.

3. FAO's requirement for a sound, stable and strengthened funding base derives from its role as a centre of technical excellence in the areas of its mandate. FAO's main *comparative advantages* for resource mobilization are:

- Role in providing balanced, evidence-based contributions to complex and sensitive debates at global, regional, sub-regional and national level;
- Function as a neutral forum for the negotiation of international agreements;
- The quality and calibre of technical staff who can become active catalysts of 'best practice' development in the areas of the Organization mandate at country level;
- Extensive presence at country, and sub-regional and regional level.
- Field programme and implementation capability in complex situations and its access to Governments;
- Recognized role with regards to emergency and transition/exit strategies from rehabilitation to development and investment;
- Demonstrated capacity to partner.

Vision and objectives

4. FAO aims for resource mobilization and communication efforts to be undertaken at all levels of the Organization to secure resources required for it to carry out its core functions and achieve the planned Organizational Results, at global, regional, sub-regional and national level.

5. The objectives of the strategy for resource mobilization are:

- **Adequate funding and support** for the achievement of Organizational Results at the global, regional, sub-regional and country level;
- **Timely and predictable** voluntary funding to be able to **plan effectively** FAO's work;
- Increase the share of **broadly earmarked** funding.

2. Charting the way forward - elements of the strategy

6. To achieve these objectives, the elements of the strategy will include a set of actions, some with external partners of FAO, and others of a more internal nature, based on two main principles

- incorporation of the planning and use of extrabudgetary resources in the new programming model covering all sources of funds, contributing to the achievement of Organizational Results;
- delegation of authority for resource mobilization at decentralized level, with strong coordination from Headquarters based on a clear definition of roles.

7. The type of extrabudgetary resources that would support achievement of FAO's Organizational Results include: partnering and support in kind; official donor assistance whether through projects or programmes¹, partnership programmes or direct reimbursement of expenditure; application of direct budget support and unilateral Trust Funds.

Elements of implementation:	Description of actions	Result
A. <i>Embed the resource mobilization strategy in the new programming model, with regional and sub-regional programmes and NMPTFs to provide strategic focus to resource mobilization at regional, sub-regional and country level.</i>	<ul style="list-style-type: none"> • The planned results of FAO activities should give all members, donors and beneficiary countries confidence that the activities for which the Organization requests financial support have been subject to thorough review and directly contribute to the formulated results of the Organization for the biennium. The resource envelopes presented Medium Term Plan and Programme of Work and Budget will provide the estimate of the extrabudgetary resources envelope. • Regional and sub-regional programmes and NMPTFs to catalyze FAO resource mobilization at the regional, sub-regional or country level, in line with other country specific approaches², including the "Delivering as One" pilot process. 	Increase transparency and Members' and donors' confidence in FAO
B. <i>Engage Members and donors in the process of defining the resources envelope ranges from voluntary contributions</i>	Agree dedicated steps in the planning process: a) Members to examine the overall extrabudgetary requirements emerging from the MTP/PWB process as part of the proposal preparation, in a proposed Meeting of Members in the early part of year 2 of the biennial cycle; b) Inform and engage donors in support of the needs of FAO advocacy, normative, development or emergency and	Increase predictability of extrabudgetary resources by planned Organizational result.

¹ e.g. SFERA

² UNDAF, PRSPs where relevant.

	rehabilitation activities, and report on the level of resources pledged, received and allocated versus planned requirements through a set calendar of consultations during the implementation cycle.	
<i>C. Present Impact Focus Areas, in the context of the new SF/MTP planning process for Members' review</i>	<ul style="list-style-type: none"> • Impact Focus Areas help catalyze the mobilization of extrabudgetary resources. They represent 'flagship' areas of work defined for the immediate future or to reflect emerging challenges. • They contribute to the achievement of the SOs, and relate to resources for uptake of products and services FAO commits to deliver to Members, as generally defined in the Organizational Results. • Impact Focus areas can represent areas of comparative advantage or core functions of the Organization where there is a known resource gap for the attainment of results at regional, sub-regional and country level at the level expected. 	Facilitate and increase pooled and un-earmarked funding
<i>D. Significantly raise awareness among policy makers, potential donors and the general public of FAO's unique contribution to the development process, its comparative advantage in emergency operations and rehabilitation, and its effectiveness in implementing donor-funded projects and programmes.</i>	<ul style="list-style-type: none"> • Develop a comprehensive marketing communication strategy and plan focusing on key donor audiences and based on concrete success stories. • Widely promulgate the marketing communication strategy and plan to ensure coherent communication of key messages related to resource mobilization. • Develop a related set of communication guidelines for staff in all units to assist them in engaging in communication activities related to resource mobilization. 	Enhanced recognition and appreciation of the FAO "Brand" among key donor audiences ³ .
<i>E. Reach out and engage a broader range of and new emerging donors, including consideration of the private sector; Coordinate closely with relevant partners and expand partnerships</i>	<ul style="list-style-type: none"> • Document and monitor donors' trends and share the information with all offices involved in resource mobilization. Regional and Sub-regional Organizations and institutions, and other UN Organizations especially at country level, are partners for possible resourcing of Joint Programmes under FAO's areas of mandate. • Examine pragmatic opportunities arising from the private sector; develop 	Enlarge funding base, taking account of partnership contributions.

³ Linked to an understanding of the Organization's comparative advantages as an implementer of donor-funded projects and programmes

	<p>guidelines for review by Governing Bodies for engaging in resource mobilization with the private sector.</p> <ul style="list-style-type: none"> • Develop the resource mobilization component of the Partnerships Strategy. • Recipient Governments to demonstrate their engagement in full partnership with FAO activities by honouring their financial commitments such as GCCC. 	
F. <i>Encourage donors to move gradually from project approach to multi year strategic /partnerships and/or to support the impact focus areas.</i>	<ul style="list-style-type: none"> • Determine a programme of recognition and ensure donor visibility suitable for the donor and the circumstances. • Develop new frameworks for multi-year and/or multi-donor longer term and less conditioned funding, unilateral trust funds, joint programmes, national execution and other non-traditional emerging donors including the private sector; • Improve business intelligence reporting internally and to Members and donors on results achieved, resources, beneficiaries leveraging the/or in complementarity with Organizational monitoring and assessment systems. 	Facilitate a results based approach and increase pooled and un-earmarked funding
G. <i>Articulate clear roles for Decentralised Offices and Headquarters in support of Resource Mobilization</i>	<ul style="list-style-type: none"> • Decentralized offices to: <ul style="list-style-type: none"> a) advocate FAO comparative advantage at regional, sub-regional and country level; b) contribute to and inform the formulation of Organizational Results and identification of Impact Focus Areas; c) Mobilize resources for the results formulated for the regions, sub-regional and the country offices; d) Allocate resources received and results and provide feedback to central coordination and to local partners and donors. • Headquarters to: <ul style="list-style-type: none"> a) develop the vision of resource allocation based on the formulation of Organizational Results and Impact Focus Areas and consolidate the funding requirements for the MTP/PWB; b) Support the process of Members and donors review of extrabudgetary resources proposals; c) coordinate the risk management of the un-predictability of voluntary contributions; d) coordinate resource mobilization through new policies, communication and tools 	Achieve effective organizational arrangements in support of resource mobilization, including among regional, sub-regional and country offices.

	(including training, financial mechanisms, new partnership agreements and support to decentralized offices); and, e) overall implementation reporting.	
H. <i>Review internal policy setting, review and oversight mechanism for extrabudgetary funding</i>	<ul style="list-style-type: none"> Review the policy setting and oversight to leverage the application of the new programme model principles. Replace current operational/management rules and procedures with new harmonized tools. 	Improve oversight of extrabudgetary resources and reporting procedures and transparency to Members.
I. <i>Confirm the policy of full cost-recovery for activities funded by extra-budgetary contributions</i>	Extra-budgetary Support costs will be kept under review. FAO Support Cost Policy is based on the concept of full cost recovery of <i>indirect variable costs</i> . However, with voluntary contributions reaching the level of assessed contributions, the policy should move towards recovering the relevant portion of indirect fixed costs as well. A proposal will be presented to the Finance Committee at its October 2008 session.	Ensure balanced funding of activities and expand the funding base of the Organization.

8. The general recommendation of the IEE Report to develop a resource mobilization strategy included six sub-recommendations. Sub-recommendations a), b) c) and e) are addressed in the elements of the strategy and related high level actions above.

9. With regards to the sub-recommendation 7.6 (d)⁴ and particularly on the conditions of implementation, Management undertook a preliminary review, taking into account the experience gained by FAO and by other UN organizations over the past ten years. As previous indicated in a meeting of Working Group III, Management finds that this would not be a cost effective approach for the Organization. In the course of discussions references were made to the possibility to examine the UNICEF model and determine the extent to which it could be used. FAO has in the past made limited review of this possible model and the preliminary conclusion reached at the time was that it would not be appropriate to extend this scheme to FAO. Management remained however prepared to commission a study which would review the matter in depth if Members felt this option required more analysis.

10. Finally, with regards to sub-recommendation 7.6(f), Management will await further guidance that may arise from WG II.

⁴ Extract of recommendation 7.6 (d) "...with the aim of building and reinforcing FAO support from the public and small businesses, a new, independent foundation should be established. This should be entirely outside the Organization's bureaucracy. The foundation should replace TeleFood and funds raised should go to the priority themes. FAO should support the start-up of the foundation but there should be a strict limit of three to four years (a so-called 'sunset provision') for the success of the venture. After this, support would cease;"