

164th Session of the Council

Item 3: Further Adjustments to the Programme of Work and Budget 2020-21

As anticipated in the Adjustments to the Programme of Work and Budget (PWB) 2020-21, approved by Council in December 2019, the governing bodies would have the opportunity to consider a broader review and adjustment to the implementation of the PWB during 2020, including at the 164th session of the Council (July 2020).

In this regard, the Further Adjustments to the PWB 2020-21 has been considered by the Programme and Finance Committees and their Joint Meeting at their sessions in June 2020 and is presented for approval by the Council at this 164th session in July 2020. In addition to the information provided in the document *Further Adjustments to the PWB 2020-21* (CL 164/3) and its Web Annexes, six Information Notes have been issued in response to Members' queries and requests from the Programme and Finance Committees, and their Joint Meeting.

The proposals presented in the Further Adjustments to the Programme of Work and Budget 2020-21 are a logical continuation of the Director-General's vision of building a dynamic FAO for a better world, while remaining committed to the original aspirations, mandate and mission of the Organization.

These further adjustments are guided by the vision of creating an inclusive and agile FAO that serves its Members to achieve the "four betters": *better production, better nutrition, a better environment, and a better life*. The proposals are focused on creating an Organization that is fit-for-purpose, transparent, open, innovative, responsible and effective.

As shown in the proposed headquarters structure (Annex 1 of CL 164/3), the Organization would move away from a traditional pyramid structure and embrace a flatter, more modular approach reflective of the new realities and more digital world that we live in today. The proposed structural and programmatic adjustments aim to maximize cross-sectoral cooperation, improve the Organization's efficiency and effectiveness, avoid silos and establish transparency and accountability at the optimal levels. It aims to build FAO's comparative advantages, both within FAO and by working with other organizations outside of FAO.

All proposals are made within the biennial net appropriation approved by the Conference of USD 1 005.6 million.

Organizational structure – highlights

The three elements of the proposed headquarters structure are: i) *Offices*, which have a cross-cutting function within the Organization; ii) *Centres*, which have a strong collaboration function with other UN agencies or with International Financial Institutions (IFIs); and iii) *Divisions*, which house the specific technical, economic and social expertise of FAO or provide operational and logistics support.

Highlights include:

- a new *Office of Sustainable Development Goals (SDGs)*, which would coordinate the corporate engagement in the 2030 Agenda follow-up and review, working closely with concerned units across the Organization.
- The three *Centres*, where FAO works in close collaboration with other UN agencies or with International Financial Institutions. Working in partnerships is increasingly critical to address complex and multifaceted issues and the Centres are proposed for strengthening to make catalytic use of FAO's limited net appropriation resources:

- The Investment Centre supports public and private investment in member countries to help them achieve the SDGs. An increase of *USD 8 million* is proposed to harness its catalytic role in supporting countries and enabling financing at scale;
- The *Joint FAO/WHO Centre* would house two important joint efforts: the Codex Alimentarius Commission as well as zoonotic diseases. Expertise on zoonotic diseases is brought together to ensure this work continues in a focused and coordinated manner within FAO and in close collaboration with WHO and other global partners;
- The *Joint FAO/IAEA Centre*, which reflects the longstanding strategic partnership between FAO and IAEA in sustainable agricultural development and food security using nuclear science and technology, is proposed for strengthening by USD 1 million.
- A new division on *Food Systems and Food Safety*, which would provide strategic leadership in the development of more sustainable food systems. The Division would integrate FAO's scientific and economic analysis to provide improved policy guidance and targeted investment in food systems.
- The Strategic Programme (SP) Management teams are proposed to be disbanded.
- The Office of Support to Decentralized Offices (OSD) is proposed to be removed, with its functions redistributed to other divisions.
- The decentralized offices would continue to work in a cross-functional manner with headquarters.

With these proposed changes, the Organization would continue to work collaboratively on the 2020-21 results-based work plans which were developed under FAO's *results framework for 2018-21* following Conference-approval of the MTP/PWB in June 2019.

Management structure and reporting lines - highlights

The core leadership team would consist of the three Deputy Directors-General (DDG), the Chief Economist and the Chief Scientist and would support the Director-General in all areas of the Organization's mandate.

The Assistant Directors-General (ADGs) would focus on specific assignments given by the Director-General in key areas of work of the Organization. The ADGs would no longer be encumbered by internal management issues associated with their previous role of heads of Departments and can rather focus on high-visibility, high priority, external activities.

The accountability of the Heads of Offices, Centres, and Divisions is strengthened in line with best practice given their role as experts in their respective areas. They would report to the Director-General, or to a DDG, the Chief Economist, or the Chief Scientist.

Reporting lines are established under the authority of the Director-General, and are communicated to staff and to Members.

Conclusion

The Council is requested to:

- a) take note of the programmatic and operational adjustments;
- b) approve the revised budgeted post establishment (*Web Annex 3*), with the changes indicated in document CL 164/3 Information Note 2, and *structural changes (Annex 1)*; and
- c) approve the revised distribution of the net appropriation by budgetary chapter as reflected in *Table 3*.

The Council is also requested to note that further budgetary transfers could arise as a result of requirements stemming from COVID-19, guidance from the Regional Conferences, further work planning, and from the most efficient and effective modalities of implementation during the biennium. Within chapter transfers and transfers from one chapter to another required to implement the PWB during the biennium will be handled in accordance with Financial Regulation 4.5.

Ms Beth Crawford, Director of the Office of Strategy, Planning and Resources Management