

## CL 174/3 Annex 2

### *Extracts of the Reports of the 43rd Session of the Conference (1-7 July 2023) and the 172nd Session of the Council (24-28 April 2023) concerning decisions and guidance on the Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25*

#### **I. Extract from the Report of the 43rd Session of the Conference (1-7 July 2023) Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25**

##### **Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25<sup>1</sup>**

55. The Conference considered the Medium Term Plan (MTP) (reviewed) 2022-25 and the Programme of Work and Budget (PWB) 2024-25, the observations and recommendations of the 172nd Session of the Council, Web Annex 11 and 12, as well as additional information provided by the Secretariat in Information Notes 1, 2 and 3.
56. The Conference acknowledged the spirit of cooperation between Members which had facilitated its deliberations on the budget level for 2024-25.
57. The Conference expressed appreciation to the Independent Chairperson of the Council for convening a series of informal consultations in the period leading up to the 43rd Session of the Conference where Members had discussed various elements of the PWB 2024-25.
58. The Conference highlighted the benefits of organizing informal meetings with Members during the process of developing programming, budgeting and results-based monitoring to inform, support and discuss progress made in the preparation of the programme of work and budget, while recognizing the Schedule for Governing Body Input and Oversight under the Reformed Programming, Budgeting and Results Based Monitoring Systems set out in the Basic Texts.
59. The Conference reaffirmed the conclusions and recommendations of the 172nd Session of the Council on the MTP (Reviewed) 2022-25 and PWB 2024-25.
60. The Conference requested Management identify savings and efficiency measures on the proposed PWB 2024-25 and that information on these savings and efficiencies be provided through the established reporting mechanisms, including by presenting proposed adjustments to the PWB 2024-25 to the Council in December 2023 through the Finance Committee on implementation of the PWB 2024-25, and requested Management develop a longer-term financial plan to address greater efficiencies and the balance between assessed and voluntary contributions.
61. The Conference:
- a) urged Member Nations to make payments of assessed contributions on time and in full in accordance with the FAO Financial Regulations;
  - b) encouraged Members to continue providing voluntary contributions in support of implementation of the FAO Strategic Framework 2022-31 through the integrated programme of work and budget, in particular through more flexible voluntary funding; and
  - c) noted that adjustments in resource allocations and/or results frameworks arising from the decisions and guidance of the Conference and from the 2024-25 work planning process would be reported in the Adjustments to the PWB 2024-25 for consideration by the Council in December 2023.

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<sup>1</sup> C 2023/3; C 2023/3 WAs 11-12; C 2023/3 Information Notes 1-3; C 2023/LIM/11; C 2023/II/PV/1; C 2023/II/PV/2; C 2023/II/PV/4; C 2023/PV/12

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*Documents can be consulted at [www.fao.org](http://www.fao.org)*

62. Concerning the longer-term financial health of the Organization, the Conference deferred consideration of the proposal for replenishment of the Working Capital Fund and incremental funding of the After-Service Medical Coverage past service liability to future biennia and requested Management continue to explore alternative strategies to address these requirements.

63. The Conference adopted the following Resolution:

**Resolution 4/2023**

**Budgetary Appropriations 2024-25**

**THE CONFERENCE,**

**Having considered** the Director-General's Programme of Work and Budget;

**Having considered** the proposed total net appropriation of USD 1 061 426 000 for the financial period 2024-25 at the 2022-23 rate of EUR 1= USD 1.22, which assumes US dollar and Euro expenditure equal to USD 576 712 000 and EUR 397 307 000;

**Having considered** that the above net appropriation is equivalent to USD 1 021 696 000 at the budget rate of EUR 1 = USD 1.12 established for 2024-25 after translation of the Euro portion;

1. **Approves** the Programme of Work proposed by the Director-General for 2024-25 as follows:

a) Appropriations are voted at a rate of EUR 1 = USD 1.12 for the following purposes:

	USD
Chapter 1: Better Production	160 604 000
Chapter 2: Better Nutrition	132 880 000
Chapter 3: Better Environment	120 692 000
Chapter 4: Better Life	127 117 000
Chapter 5: Technical quality, statistics, cross-cutting themes and accelerators	70 973 000
Chapter 6: Technical Cooperation Programme	143 133 000
Chapter 7: Outreach	72 017 000
Chapter 8: Information and Communications Technology (ICT)	35 552 000
Chapter 9: FAO governance, oversight and direction	59 324 000
Chapter 10: Efficient and effective administration	62 298 000
Chapter 11: Contingencies	600 000
Chapter 12: Capital Expenditure	14 206 000
Chapter 13: Security Expenditure	22 300 000
<b>Total Appropriation (Net)</b>	<b>1 021 696 000</b>
Chapter 14: Transfer to Tax Equalization Fund	123 535 000
<b>Total Appropriation (Gross)</b>	<b>1 145 231 000</b>

b) The appropriations (net) voted in paragraph (a) above minus estimated Miscellaneous Income in the amount of USD 5 000 000 shall be financed by assessed contributions from Member Nations of USD 1 016 696 000 to implement the Programme of Work. Such contributions shall be established in US dollars and Euro and shall consist of USD 571 712 000 and EUR 397 307 000. This takes into account a split of 56 percent US dollars and 44 percent Euro for the appropriations (net) and of 100 percent US dollars for Miscellaneous Income.

- c) The total contributions due from Member Nations to implement the approved Programme of Work shall amount to USD 571 712 000 and EUR 397 307 000. Such contributions due from Member Nations in 2024 and 2025 shall be paid in accordance with the scale of contributions adopted by the Conference at its Forty-Third Session.
  - d) In establishing the actual amounts of contributions to be paid by individual Member Nations, a further amount shall be charged through the Tax Equalization Fund for any Member Nation that levies taxes on the salaries, emoluments and indemnities received by staff members from FAO and which are reimbursed to the staff members by the Organization. An estimate of USD 7 000 000 has been foreseen for this purpose.
2. **Encourages** Members to provide voluntary contributions in support of the implementation of the Strategic Framework through the integrated Programme of Work.

Adopted on 7 July 2023

## II. Extract from the Report of the 172nd Session of the Council (24-28 April 2023) Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25

### Medium Term Plan 2022-25 (Reviewed) and Programme of Work and Budget (2024-25)<sup>2</sup>

9. The Council welcomed the presentation of the *Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25*, and:
- a) commended the *Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25* were rooted in the Strategic Framework 2022-31 and were guided by the discussions that took place in the Regional Conferences in 2022, the discussions at the 171st Session of the Council and the inclusive informal consultations of Members under the guidance of the Independent Chairperson of the Council (ICC);
  - b) reaffirmed the Organization's unique position and role in transforming agrifood systems in a coherent manner, as appropriate, in accordance with, and dependent on national contexts and capacities to achieve the 2030 Agenda for Sustainable Development (2030 Agenda) and its Sustainable Development Goals (SDGs), leaving no one behind;
  - c) reiterated the important role of the science- and evidence-based normative and standard-setting work of FAO;
  - d) stressed the importance of protecting and funding the normative and technical work of FAO, including the Technical Cooperation Programme (TCP), as well as the conventions, treaty bodies, including depositary functions, and intergovernmental arrangements;
  - e) recognized the need to support FAO's core functions and mandate through resources from its regular budget and stressed that voluntary contributions should be aligned with the implementation of the Strategic Framework 2022-31;
  - f) recognized the important and instrumental role of South-South and Triangular Cooperation in realizing the 2030 Agenda, and encouraged FAO to invigorate and further enhance South-South and Triangular Cooperation;
  - g) underlined the importance of adequately resourcing Decentralized Offices, including with adequate technical and other resources, to improve the implementation capacity of the Organization;
  - h) emphasized the importance of oversight, internal control and support functions;
  - i) recommended that consideration of the proposal for replenishment of the Working Capital Fund and incremental funding of the After-Service Medical Coverage past service liability be deferred to future biennia, and requested Management to continue to explore alternative strategies to address these requirements;

<sup>2</sup> C 2023/3; C 2023/3 WA 11; C 2023/3 Information Note 1; C 2023/3 Information Note 2; C 2023/3 Information Note 3; CL 172/7, paras 6-8; CL 172/8, para 5; CL 172/9, paras 20-23; CL 172/PV/1; CL 172/PV/2; CL 172/PV/9

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- j) stressed the need for the Organization's governance documents to reflect multilaterally agreed concepts, approaches and language, and give preference to those adopted by FAO Governing Bodies;
  - k) highlighted the importance of Blue Transformation as a Programme Priority Area (PPA) and Roadmap reflecting FAO's vision on its work for achieving sustainable aquatic systems;
  - l) agreed on the need to explore a budget level between the currently proposed budget level in document C 2023/3 and the 2022-23 nominal level, and encouraged continued efforts towards reaching a consensus on the level of the budget, to be considered at informal consultations between Members, in the period leading up to the 43rd Session of the Conference;
  - m) agreed to consider a budget level that would ensure that FAO can conduct its core activities as a specialized agency to support the achievement of the SDGs, within its mandate, using its comparative advantages in the UN system; and
  - n) in this regard, the Council requested the ICC to convene informal consultations with Members in the run-up to the 43rd Session of the Conference to seek consensus on the budget level.