

Rome, Roma, 2009



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

CONFERENCE CONFÉRENCE CONFERENCIA

Thirty-sixth Session • Trente-sixième session • 36° período de sesiones

**Rome, 18-23 November 2009
VERBATIM RECORDS OF MEETINGS OF COMMISSION II
OF THE CONFERENCE**

**Rome, 18-23 novembre 2009
PROCÈS-VERBAUX DES SÉANCES DE LA COMMISSION II
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**Roma, 18-23 de noviembre de 2009
ACTAS TAQUIGRÁFICAS DE LAS SESIONES DE LA COMISIÓN II
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CONFERENCE CONFÉRENCE CONFERENCIA

**Thirty-sixth Session
Trente-sixième session
36º período de sesiones**

**FIRST MEETING OF COMMISSION II
PREMIÈRE SÉANCE DE LA COMMISSION II
PRIMERA SESIÓN DE LA COMISIÓN II**

19 November 2009

The First Meeting was opened at 11:15 hours
Ms Agnes van Ardenne-van der Hoeven,
Chairperson of Commission II, presiding

La première séance est ouverte à 11 h 15
sous la présidence de Mme Agnes van Ardenne-van der Hoeven,
Présidente de la Commission II

Se abre la primera sesión a las 11.15 horas
bajo la presidencia de la Sra Agnes van Ardenne-van der Hoeven,
Presidente de la Comisión II

PROGRAMME AND BUDGETARY MATTERS
QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET
CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS

- 14. Programme Implementation Report 2006-2007 (C 2009/8)**
14. Rapport sur l'exécution du programme 2006-2007 (C 2009/8)
14. Informe sobre la Ejecución del Programa 2006-2007 (C 2009/8)

CHAIRPERSON

Good morning. I have the honour of chairing this Commission and calling to order this first meeting of the Commission. We have a full agenda to cover. We have started a little later but that is due to the fact in the Plenary room there were such important and informative points on the Agenda, but now we are here and we have in particular the challenging task of making a report to the Plenary of the Conference on Sunday morning on a budget level for the 2010-2011 biennium. I am confident that with your goodwill and collaborative spirit, we will complete our work in a satisfactory and timely manner including coming to a consensus on the budget.

Turning now to our Timetable as contained in the document C 2009/INF/1, the Commission will commence its discussions this morning with Item 14, the Programme Implementation Report, followed by Item 15, the Programme Evaluation Report 2009. Following conclusion of the two items, we will then turn to Item no. 16 on the Strategic Framework 2010-2019. As per the timetable, we will take up Item 17, the Medium-Term Plan 2010-2013 as the Programme of Work and Budget 2010-2011 at the afternoon session today. Concerning Item 19 on Incentives and Other Measures to Encourage Timely Payments of Contributions, the Conference decided this morning that this Item should be taken up in Plenary rather than in this Commission. I trust that this Timetable is agreeable.

Now I would ask you to consider the first substantive matter on our Agenda, the Programme Implementation Report 2006-2007 which is document C 2009/8. The extract of the Council report on this document is contained in C 2009/LIM/7. Before inviting delegations to take the floor on this Item, I would turn to Mr Boyd Haight, Director of the Programme and Budget Evaluation, to introduce the item.

Boyd HAIGHT (Director, Office of Programme and Budget)

I will briefly outline the purpose, format and content of the Programme Implementation Report for the 2006-2007 biennium which was reviewed by the Programme and Finance Committees and by the Council as well as by the Technical Committees on Agriculture, Fisheries and Forestry.

The PIR informs the Membership about the work carried out by the Organization over the past biennium. As part of the currently established suite of accountability document, it looks back to provide information on the financial performance of the Organization and what it achieved in terms of outputs and outcomes under both the Regular Programme appropriation and with extra-budgetary resources.

The assessment of longer term outcomes and objectives remains the subject of independent evaluations - to be discussed under a separate agenda item at this Session - which cover a longer time span than the quantitative biennial picture of achievements in the Programme Implementation Report.

Now this version of the PIR is presented in a more compact and readable format following on the recommendations made by the Conference in 2007. It focuses on two main aspects of performance: *What FAO Achieved* and the *Corporate Initiatives in Support of Programme Delivery*.

The section on *What FAO Achieved* provides an overview of the total resources in the biennium along with selected highlights of programme implementation and regional dimensions of FAO's achievement. The coverage of the Technical Cooperation Programme has been expanded, at the request of Conference, to include more analysis of the catalytic role of TCP projects and their relation to FAO's programmes, especially for capacity-building.

The section on *Corporate Initiatives in Support of Programme Delivery* reports on the implementation of the approved Reform Proposals in 2006-2007, the cost of supporting the field programme, the progress in achieving efficiency savings, the use of capital and security expenditure facilities, the application of the FAO language policy and progress in geographical representation and gender balance of Professional staff.

Annexes 1 and 2 in the printed document provide more detailed information on geographical representation and on the summary output completion of the programme entities. Supplementary information on what FAO achieved, by programme and programme entity, is provided in all languages on the FAO Website. The Web Annex IV provides an overview of resources and outputs of programme level with the main achievements at programme entity level related to the indicators, and it also reports on delivery of biennial outputs by programme entity. The list of unscheduled and cancelled sessions is provided in Annex V, also on the FAO Website.

So what did we achieve during 2006-2007? From a resources viewpoint, the biennium was marked by several challenges as noted by the Director-General's foreword. Nonetheless due to the large increase in voluntary contributions, total expenditure, that is the Assessed Contributions at the budget level, plus voluntary contributions, was nearly 13 percent higher than the 2004-2005 biennium. Most of the increase was for emergency activities, while delivery under the Technical Cooperation Programme declined by nearly half compared with the previous biennium.

This PIR addresses selectively the outcome of FAO's work in twelve programme areas under three substantive chapters of the Programme of Work. These highlights seek to convey the key role that capacity-building, partnership, the TCP and extra-budgetary resources are playing in the achievement of sustainable outcomes at country, regional and global levels. A few highlights of the achievements include:

- the rapid response mechanisms and innovative control measures to mitigate the outbreak of transboundary animal and plant pests and diseases including Avian Influenza and migratory and desert locusts;
- strengthened national food control systems and enhanced participation in Codex activities to ensure food safety;
- the analysis and policy advice on adaptation to climate variability and climate change related to livestock and rural communities;
- first steps forward in negotiating port state measures as a means for combating Illegal, Unreported and Unregulated Fishing including capacity-building in developing countries;
- work on commodity markets analysis projections including the impact of the soaring food prices on food insecure countries which was just starting near the end of the biennium;
- support to national programmes for food security assistance linked to natural disasters and complex emergencies.

Looking to the future, this PIR reports on achievement of the programme framework in place during 2006-2007. A similar report will be prepared in 2010 for the current 2008-2009 biennium under the same programme framework, and will be the last of this type of Programme Implementation Report.

Under the Immediate Plan of Action for FAO Renewal we are putting in place a new Results-Based Programming framework, along with a new Strategic Framework and MTP, starting with the 2010-2011 biennium, which we will be discussing later on the Agenda. These will be accompanied by development of a new monitoring and reporting system, focusing on achievement of outcomes based on targets and indicators. Thus, a new implementation report will need to be devised next year, in consultation with the Governing Bodies. It will be an important

tool for Members and the Secretariat to gauge the extent to which the Organization has been able to deliver on planned results, and provide a means to adjust the results frameworks in the medium term.

Madam Chairperson, with this brief overview, the Secretariat is ready to provide any clarifications required by the Conference in considering the Programme Implementation Report 2006-2007. Thank you.

Ms Cecilia NORDIN VAN GANSBERGHE (Sweden)

I am speaking on behalf of the European Community with its 27 Member States and the candidate countries to the EU, the former Yugoslav Republic of Macedonia and Turkey associate themselves to this statement. The EC welcomes the shorter format of the Programme Implementation Report 2006-2007 as outlined in document C 2009/8. Clearly both this version and that covering 2008-2009, to be prepared in 2011 will continue to be in the present format. However, as stated just recently, the subsequent Programme Implementation Report will cover the first biennium when the full Results-Based Framework is in place. We assume that this will necessitate a change to a new programme implementation report format linked with the new approach.

We would welcome hearing FAO Management's ideas for this and we suggest that in the course of deciding how it will be approached, Management should consult Members about how they use the present Programme Implementation Report and what sort of information they will require in future on past programmes.

Abdul Razak AYAZI (Afghanistan)

We consider the 2006-2007 Programme Implementation Report (PIR) as a useful document explaining how resources at the disposal of FAO have been expended, the outputs that have been achieved from the activities carried out and their efficiency indicators, and where feasible indications of signs for possible outcomes where FAO's outputs, supported by complementary inputs from Member Nations and other stakeholders, had been put to use. In short, the PIR is an accountability report on delivery expected from FAO with respect to the Programme of Work and Budget. That concept is implied in paragraph 1 of the Director-General's Foreword to document C 2009/8. We do not expect any assessment of final impact from the PIR. Impact assessment is dealt with in the Programme Evaluation Report (PER) which is also produced every biennium and which we will discuss very soon.

In recent biennia three features of the PIR can be confirmed. One, its size has been shrinking. Two, there has been a steady shift towards stressing the financial aspects of implementation and less narrative on the outputs achieved. Three, the structure of the PIR has been evolving. With respect to the structure, the PIR covering the biennium 2010-2011 will look very different from the one we are reviewing now because it will have to satisfy the accountability aspects of the new Result-Based Programming model, including the possible modifications of efficiency indicators in line with the introduction of the unified budget in which Assessed Contributions and extra-budgetary resources are integrated for each of the 11 Strategic Objectives and the two Functional Objectives. So, we look forward with great interest to the structure of the Programme Implementation Report covering performance in 2010-2011. We also look forward to the outline of this PIR next year.

The PIR 2006-2007 is rich in information. In view of time limitation, we wish to comment only on selected features of the PIR:

From Table 1 of paragraph 18, we note a 2 percent increase in Regular Programme expenditures compared with the previous biennium and a major increase of close to 34 percent in expenditures from extra-budgetary resources. At the same time, the share of extra-budgetary resources in total resources of the Regular Programme reached 19 percent (Figure 1 of paragraph 21). Some Member Nations are concerned about too much reliance of FAO's core technical activities on extra-budgetary resources, a subject that Members will also raise in connection with Item 17.

Compared to the previous biennium, there was a quantum jump in the share of Chapter 2, namely Sustainable Food and Agriculture Systems in expenditures, reaching 52 percent in 2006-2007 total expenditure. This figure is slightly less for 2004-2005 biennium.

Part III, Corporate Initiative in Support of Programme Delivery (paragraphs 275-347) is a new addition and provides some useful information. The following could be noted. One, despite the increase in cost of Technical Support Services (TSS) its share to total delivery went down from 10.1 to 9.1 percent. Two, the same trend occurred with respect to Administrative and Operational Support (AOS) as reflected in Table 16 of paragraph 301.

There have been some encouraging developments, such as the decline in the number of meetings; improvement in language policy; and a percentage rise in the representation of internationally-recruited female staff, though their share of posts at the Director level leaves much to be desired.

Annex II (pages 91-98 of the English text) which covers the delivery aspects of non-technical programmes is a new addition and we welcome it. It shows that in 2006-2007 the percentage delivery of non-technical programmes was slightly better than that of the technical programmes. This is shown in Table 2 on paragraph 348.

John TUMINARO (United States of America)

I will be brief. As you know the United States has commented often on the Programme Implementation Report of this Item. The United States notes that according to the report the FAO has spent over its appropriations in multiple programme categories. The United States wishes to take the opportunity to remind the Organization and its Membership of the need for fiscal responsibility especially during this period of tight budgets.

The United States would also like to remind the FAO and its Membership of the need to prioritize its programmatic work. We look forward to greater prioritization under the Immediate Plan of Action which we passed unanimously during the Special Session of the Conference this time last year. I also want to note the importance of access to timely and accurate information which, in this regard, would be vital to ensure effective Results Based Management and budgeting.

José A. QUINTERO GÓMEZ (Cuba)

También la delegación de Cuba será breve teniendo en cuenta fundamentalmente la exhaustiva y buena intervención del representante de la delegación de Afganistán. Este documento presenta, en nuestra opinión, una buena exposición de la labor realizada por la Organización en el bienio 2006-2007 y proporciona información sobre la ejecución financiera, los recursos y las actividades correspondientes a la consignación del presupuesto ordinario y a la financiación extra-presupuestaria durante el bienio. Agradecemos a la Secretaría por este documento y realizamos unos breves comentarios.

Reconocemos la alta ejecución total del programa logrado en el bienio, así como el apoyo con fondos extra-presupuestarios al mismo, lo que lógicamente ha contribuido a su ejecución. Manifestamos nuestra preocupación por la disminución de los recursos ordinarios de la Organización destinadas a la financiación del Programa de Campo y por la mayor participación en esta financiación de los recursos extra-presupuestarios. En especial expresamos nuestra inquietud por la disminución, durante el bienio de la ejecución de proyectos del Programa Especial de Seguridad Alimentaria, PESA, financiados con el Programa Ordinario. Es de nuestro interés reiterar la importancia que Cuba le concede al Programa Especial de Seguridad Alimentaria y la necesidad de que ésta sea uno de los principales programas utilizados por la Organización, para apoyar a los países Miembros, en particular a los países en desarrollo, a través del mecanismo de cooperación Sur-Sur. Llamamos la atención acerca de la ejecución sólo a la mitad del Programa de Cooperación Técnica con respecto al bienio anterior teniendo en cuenta que consideramos que este es uno de los programas más importantes de los que ejecuta la FAO.

Boyd HAIGHT (Director, Office of Programme and Budget)

Thank you, Madam Chair and thank you delegates for your constructive comments on the performance in the 2006-2007 biennium. I would just like to focus on three issues in my brief reply. First, on the level of performance by programme and priorities as raised by the United States during implementation, of course, there are variances that take place which are reported here and, in fact, have been approved in advance by the Finance Committee in terms of transfers between chapters in order to meet priorities as they evolve during implementation. As we move into a future more results-based budgeting process, there will be more formal ways to incorporate performance into making these types of changes.

Secondly, on the extra-budgetary resources and the contribution to the work of the Organization, this PIR is reporting primarily on the financial side in terms of the delivery of Regular Programme and on the extra-budgetary, it is not able to make a programmatic link between the two sources of funds because the Programme of Work 2006-2007 was not planned in that way. As Afghanistan has noted, there has always been a contribution coming from voluntary contributions to support some of the core work of the Organization, what we call a voluntary support to the Regular Programme. In the new framework that you will be considering under the next item, we are making a more conscious effort to reflect the contribution of those resources to the Programme of Work, recognizing that we have had these resources coming in the Organization for many biennium.

Thirdly, looking to the future, we have committed under the Immediate Plan of Action to work with the Governing Bodies during 2010 and 2011 in designing the format of the new implementation reporting system. We will start that engagement in the next meeting of the Programme Committee in April 2010. The results frameworks that are in the new Strategic Framework provide a more systematic basis for reporting on achievement of the results, because we have identified over 170 indicators published as part of Results Frameworks, with targets to measure those indicators, targets that are measurable and achievable, realistic, and time bound, and that will be the initial basis for designing the Report. But, as mentioned by Sweden on behalf of the EU, as called for in the IPA, we will move forward with the design of this new Report through the Governing Bodies, so that we can take into account the needs of Members and be able to follow the results that are achieved. This will provide the means for measuring accountability for delivering on improved food security and particularly at country level. So, the inputs that you have provided here will certainly be of use in helping us to move forward in the next round. Thank you, Madam Chair.

CHAIRPERSON

Thank you, Mr Haight, and with this we can conclude our discussion of Item 14 on our Agenda which I summarize, as follows: Members have discussed a document on the Programme Implementation Report. They consider it as a useful document, its size has been shrunk, its structure has been modified, and they have raised concerns about the reduction of resources for the Field Programme and also stressed the importance of South-South cooperation. Also, the concerns regarding fiscal responsibility and resource management and prioritization were stressed. Finally, Members look forward to the future Report and welcome suggestions on this and the way forward in the process towards the new PIR in the new structure, another format and also based on the results.

With that we can conclude the discussion on the PIR and I will thank Mr Haight for his participation in the debate. We move forward to Item 2 on our Agenda and that is the PER, the Programme Evaluation Report.

- 15. Programme Evaluation Report 2009** (C 2009/4)
15. Rapport d'évaluation du programme 2009 (C 2009/4)
15. Informe de Evaluación del Programa 2009 (C 2009/4)

CHAIRPERSON

It is Item 15 on our Agenda which is document C 2009/4. Before inviting delegations to take the floor on this Item, I welcome Mr Moore, the Director of the Office of Evaluation, and ask him to make a short introduction. Mr Moore, you have the floor.

Robert MOORE (Director, Office of Evaluation)

Distinguished delegates, it is a pleasure to address the Conference in my new capacity as Director of the FAO Office of Evaluation and to introduce the Programme Evaluation Report 2009. We apologise for the late posting and printing of the document due to the technical problems in its reproduction. I wish this would never happen and especially in my first time appearing before you. The format and coverage of the Programme Evaluation Report was revised by decision of the Council at its Hundred and Twenty-ninth Session in September 2005 with a view towards making what was previously a lengthy document more succinct and promote the FAO Evaluation Website as a primary source for full disclosure of the results of the work undertaken.

The 2005 Council decision anticipated that the PER would include a first section highlighting new developments on institutional arrangements, policies and methods. The first section of this year's PER includes the discussion on increased stakeholder consultation at various phases of the evaluation process: development of a more rigorous system for ensuring utilisation of evaluation results; and work on evaluation of impact at a field level. We feel that by strengthening these aspects, FAO's evaluation regime will be more effective, serve better as an instrument for organizational-learning and reinforce evaluation's role as a feasible instrument for change and reform. The PER then includes information on FAO's collaboration in UN System-wide evaluation initiatives, which are primarily undertaken through the UN Evaluation Group of which we are an active member.

The next part of the document is the Evaluation Work Programme of the Organization, it lists evaluations carried out in the past biennium and includes a list of evaluations to be submitted to the Programme Committee in 2010-2011. It is worth noting that evaluation related issues will weigh heavily on the Programme Committee at its April 2010 Session. Besides several major evaluations the Committee will also consider the proposed Charter and a rolling work plan for the Office.

Finally, the PER also includes summaries of major evaluations that were considered by the Programme Committee during the past biennium, and subsequently reported to the Council through the Programme Committee's Report. The summaries are presented here for the information of the Conference. The full text of each of these evaluations are available on FAO's Evaluation Website. We look forward to your debate and suggestions on this document, and thank you very much.

John TUMINARO (United States of America)

Thank you, Madam Chair. Once again, I will be brief. United States would like to welcome Mr Moore's recent election and his presence here today at the Conference, we would like to congratulate him. However, I would just like to note that as of the day of the departure of our delegation to come to the Summit, the documentation for this Agenda Item was not available so none of us had any time to review this rather important Agenda Item. I just like to take this as an opportunity to remind the FAO of course in its Membership of the need for timely information in preparation for these Conference, meetings. Thank you very much.

Abdul Razak AYAZI (Afghanistan)

The delegation of Afghanistan welcomes this fresh approach to reporting on the evaluation activities of FAO to the Conference. The submitted report is brief, succinct, well-written and adequate for assessment of the evaluation function by the Governing Bodies.

As a member of the Programme Committee, Afghanistan is familiar with the work on evaluation in FAO including the Evaluation Charter which will come for the approval of the Council next year. We are pleased to see the Evaluation Office becoming operationally independent and controlling its own budget. We do not think that an Evaluation Office that is detached from Management is suitable for FAO while feedback from evaluation to programme improvement is of crucial importance. We congratulate Mr Robert Moore for his appointment as the new Director of the Evaluation Office and we wish him all the success in his new duties.

In our opinion, evaluation as an oversight function has been fairly well established in FAO, both as an instrument for accountability, as well as a learning process based on experience gained. The learning process is intended to provide valuable feedback to the design of programmes, projects and processes, as well as assessing the efficiency and effectiveness of the new modalities of implementation, partnership arrangement and resource mobilisation strategies. Assessment of impact is, of course, the bedrock of evaluation.

We think the role of the Evaluation Office will receive further impetus with the new Result-Based Programmatic Model in FAO. In particular, the Evaluation Office can be an active participant in helping the technical units in the selection of verifiable indicators for measuring the outcomes of the Organizational Results under the Strategic and Functional Objectives. This could be one useful aspect of feedback from evaluation to improved programming. We also wish that the Evaluation office keep a satisfactory balance between the evaluation of Regular Programme activities and field operations, in particular the evaluation of FAO's total assistance at the country level.

The United Nations Evaluation Group has an extremely useful arrangement from all UN Agencies and can draw benefits from them, especially with respect to evaluation methodology, good practices and locating experienced evaluators. We encourage FAO to play an active role in this partnership and we support joint evaluation with other UN Agencies such as the one planned on thematic evaluation of WFP on Information System for Food Security.

The Evaluation Office serves both Management and the Governing Bodies and it receives advice from the Internal Evaluation Committee. From the point of view of governance, we think this is a satisfactory arrangement. The Programme Committee has taken keen interest in evaluation work and approves all the major evaluations requested either by Management or proposed by the Evaluation Office itself. Resources have been a problem in the past and will remain so in the future simply because independent evaluations are fairly expensive and time-consuming. However, at the end the problem is not one of quantity but of quality. In this respect, the Members of the Programme Committee have been impressed by the quality of the evaluation reports submitted for their consideration by the Evaluation Office in recent years. This can be verified from the reports of the Programme Committee to the Council.

In recent years, Management has taken a keen interest in responding to the evaluation findings and recommendations and by and large it has been receptive to most of the important recommendations of major evaluations. However, in many cases the implementation of the recommendations accepted by Management has been a problem due to resource constraints. Management may welcome a recommendation but has no resources to implement it, or is waiting for resources to be provided from outside for the implementation of the recommendation.

Finally, we welcome the briefs on the four major evaluations as submitted in Chapter 5 of the Report. As a Member of the Programme Committee, Afghanistan can verify the accuracy of the information presented in the four evaluation reports.

Emanuel M. ACHAYO (United Republic of Tanzania)

The United Republic for Tanzania recognizes the Special Programme for Food Security support as a key instrument for transforming subsistence agriculture to market oriented. However, the support requires upscaling strategy as we have seen, it has been done in Tanzania for the Special Programme for Food Security.

The innovative farm in Tanzania really recognizes this support because this support has helped the country to starting, transforming subsistence farming to commercial farming.

We are also saying that the establishment of the Evaluation Office should be strengthened to enable the Office discharge its duties but it also need working of the baselines and the targets in order to be able to measure the progress of FAO support and the impacts as well.

CHAIRPERSON

Thank you very much, Tanzania. These issues were also discussed under the Agenda Item on the Programme Implementation Report and it was also addressed in our Summaries. Thank you very much and now Cuba, I give you the floor.

José A. QUINTERO GÓMEZ (Cuba)

Sólo para reiterar el agradecimiento a la Secretaría por la calidad del documento presentado y reiterar la solicitud y el pedido de nuestra delegación para que, en las próximas oportunidades, este documento se haga disponible con más antelación para poder considerarlo con más profundidad, no sólo por nuestra delegación, sino por todos los Países Miembros.

CHAIRPERSON

Thank you very much, Cuba and with this we can close the rounds on behalf of the Members and I would like to ask Mr Moore.

Robert MOORE (Director, Office of Evaluation)

Let me again apologize for the late document. I particularly would like to welcome the comments from Afghanistan. We have taken particular note of some of the suggestions that have been made. We appreciate that he has underlined the importance of the learning function of evaluation, which we feel is something extremely important to stress especially as we are moving into our new system on Results-Based Management and we are very cognisant of that. We will try to do our best to render the appropriate assistance in that area.

I do not know if I have too much else to add except maybe for the delegate of Tanzania, just to inform him that we have carried out a number of evaluations of SPFS programmes in the past. We have a very good working relationship with the SPFS Unit and, in fact, have advised them before on work related to the preparation of baseline studies and things like that.

CHAIRPERSON

This concludes our deliberations which are summarized as follows: First of all, Members congratulated the newly-appointed Director of the Office of Evaluation, Mr Moore and wished him success. They also appreciated the quality of the document and even the brief was well written and well-appreciated. Members also stressed the importance of the Charter which would be presented in the forthcoming Council, next year.

I think that is more or less what was considered in this round.

May I take it that with your concurrence this will form the basis of our draft report to the Plenary of the Conference?

United States of America, you have the floor.

John TUMINARO (United States of America)

I am sorry for intervening, but I believe you said we appreciate the quality of the documentation, but maybe those of us who have read it appreciate the quality of the document. So I think we would like to add to the Report the need to have the documentation available in all languages in a timely manner.

CHAIRPERSON

Thank you very much for that reminder. It was in my text, but I overlooked it. Again I stress that the document should be prepared and presented in a timely manner so that Members can have a look at it. We will also take it up.

16. FAO Strategic Framework 2010-19 (C 2009/3)**16. Cadre stratégique de la FAO 2010-19 (C 2009/3)****16. Marco estratégico para la FAO 2010-19 (C 2009/3)****CHAIRPERSON**

We move forward with our Agenda and we turn to the FAO Strategic Framework, Agenda Item 16, it is the framework for 2010-19, DOCUMENT C 2009/3.

Before inviting delegations to take the floor on this Item, I would like to turn to Mr Boyd Haight again, this time to introduce this item.

Boyd HAIGHT (Director, Office of Programme and Budget)

We have before us now a document which many of you have seen many times because we have had the opportunity to work closely together in preparing the new Strategic Framework for the Organization and, as was highlighted this morning by Professor Noori in his introduction of the Report of the Conference Committee on the IEE follow-up, this is one of the main achievements in implementing the Immediate Plan of Action for FAO Renewal during the course of 2009. It is the formulation, through a collaborative process involving the Governing Bodies and the Secretariat, of this new, forward-looking and Results-Based Strategic Framework.

This document provides the basis for the preparation of the Director-General's proposed Medium Term Plan and Programme of Work and Budget 2010-11, which we will consider in a subsequent agenda item.

The Strategic Framework draft before you outlines the long-term challenges facing food, agriculture and rural development and sets out the Results-Based Programme Framework intended to prioritize and focus *what* FAO will do to address the challenges and *how* FAO will contribute more effectively to agreed impacts in Member Nations.

Concerning *what* FAO does, the new Results-Based Framework has three closely-linked components in a logical hierarchy.

At the highest level, the Vision and Global Goals of Members define the fundamental development impact in the areas of FAO's mandate that Members aim to achieve, being:

a world free from hunger and malnutrition, where food and agriculture contribute to improving living standards, especially among the poorest, in an economically, socially and environmentally sustainable manner. Many of these goals are echoed in recent statements, including in the Declaration of the Summit.

Addressing the Goals, there are 11 Strategic Objectives setting out the sectoral and cross-sectoral impacts that Members of FAO strive for with the contribution of the Organization, focusing on: intensified crop and increased livestock production; sustainable management and use of fisheries, forests and natural resources; improved quality and safety of food; enabling environments for

markets, food security, better nutrition, and gender equity; preparedness for and response to emergencies; and increased investment in agriculture and rural development.

A third level, where FAO's action really is, is contributing to the Strategic Objectives through the 49 Organizational Results, which represent the outcomes at global, regional and country level from the uptake and use of FAO's products and services. The Organizational Results are what FAO will be held accountable for achieving.

The new Results-Based Framework also provides the means for improving *how* the Organization operates to effectively and efficiently achieve these results, through two Functional Objectives which apply the results-based approach to the essential administrative and other enabling services for FAO's work, including eight Core Functions which are FAO's primary means of action – based on comparative strengths and taking account of partnerships – relating to: information, knowledge, statistics and perspective studies; international instruments, norms and standards; policy and strategy options and advice; technical support to promote technology transfer and build capacity; and advocacy and communication.

The Council reviewed and recommended the Strategic Framework 2010-19 to the Conference. It stressed that the document provided a useful, forward-looking context for presentation of the broad principles and specific guidance on the future results-based programmes of the Organization. It also underlined the importance of reviewing the Strategic Framework every four years.

As observed by Members in the Conference Committee Working Groups and as noted by the Council, the Secretariat has issued an addendum to amend the last sentence of paragraph 48 concerning the declining trend in the share of agriculture in total Official Development Assistance.

We look forward to the outcome of your deliberations and decision on the proposed Strategic Framework 2010-2019. As always, the Secretariat is at your disposal to provide any clarifications and additional information you may require.

Abdul Ghani GHURIANI (Afghanistan)

The Strategic Framework document C 2009/3 is a foundation for the architecture of the Results-Based Management to be introduced in the FAO from the next biennium. As stated in the Director-General's foreword, the Strategic Framework is a reference document that sets out the broad principle, as well as some specific guidelines, on the substance of FAO's future programmes. In short, it can be considered as a blueprint for the future activities of the Organization. We wish to be brief in our comments by highlighting the following two points.

One, Part One of the Report, paragraphs 1 to 51, is a useful sketch of the challenges, risks and opportunities that the agriculture sector, including forestry, fisheries and environment, will be facing in the Twenty-First Century. The coverage is comprehensive, well structured, and fairly symmetric by sector coverage and balanced in terms of risks and opportunities, including the prospects for more aid to agriculture in the future. In particular, we appreciate the narratives of paragraphs 18 to 21 on land and water use, paragraphs 25 and 26 on lifting the productivity of smallholder farmers and paragraphs 36 to 40 on natural resources, climate change and the incidence of emergencies.

Two, we fully endorse the vision set for FAO as expressed in paragraph 53, the three global goals of Member Nations, the eleven Strategic Objectives, the two Functional Objectives and the eight Core Functions. We will not go into detail because these elements have been discussed over and over by Member Nations over the last months and will be addressed again under Item 17.

Needless to say that we appreciate the simplified structure proposed for each Strategic and Functional Objective which focuses on two aspects; one, the relevance of the Strategic and Functional Objectives and two, the expected Organizational Result from each.

Within the context of the Strategic Framework, a long-term view of FAO's assistance to developing countries, especially in LDCs, need to be programmed, taking into consideration the national development framework of each developing country.

With the comment stated, Afghanistan endorses the Strategic Framework 2010-2019.

Niel FRASER (New Zealand)

In 1999, Conference adopted FAO's first long-term Strategic Framework, covering the period 2000-2015. New Zealand had engaged in the process by which it had been developed, and we judged it to be a reasonable first effort. Members involved a lot of activity back in our capitals as well and I was actively involved at that time and brought various people into the process.

As the IEE pointed out, it did not attain a high profile/impact in the work and governance of the Organization. We agree with that, but we think its development had nevertheless been a very useful process for helping Members and the Secretariat think through the issues of just what was important, and what were the best ways of addressing the identified priorities. It had been a good thinking exercise.

A new Strategic Framework for 2010-2019 has been submitted to this Session of Conference for approval. We are ready to join with others in approving this new document. In doing so, we recognize it as an advance on the earlier effort, and also represents the collective thinking of Members and the Secretariat, and again I think it has been a useful process for discussion and learning along the way, both here in Rome but also in capitals.

Because it embraces the principles and major elements of a results-based approach, we expect it will have a greater impact than the previous effort. Judicious use of targets and verifiable indicators will be an important ingredient of the process.

That was all I was going to say except that Mr Haight then drew attention to the addendum without comment, and I would be very interested to hear what prompted that addendum and what are its implications for the Strategic Framework.

Ms Cecilia NORDIN VAN GANSBERGHE (Sweden)

I am speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, the former Yugoslav Republic of Macedonia and Turkey, associate themselves with this Statement.

The European Community endorses the Strategic Framework as presented in document C 2009/3.

We believe that this document provides a good basis for analysis of the context within which FAO will operate in the coming decade.

With this Strategic Framework, the European Community believes that FAO stands on solid ground with further development at implementing the results-based framework, identifying priorities and thereby increasing the ability of the Organization to fulfil its mandate and attain the global goals of its Members.

The European Community notes with satisfaction that the Organization is well aware of the need to engage in a comprehensive approach that increases coordination and coherence within the UN System, such as the delivering-as-one at country level in addressing the issues at hand. It is equally reassuring that the FAO is ready to contribute according to its mandate in these processes.

The new Strategic Framework will be an important step to ensure the engagement of FAO.

The European Community is of the firm belief that forward-looking ambitions in order to attain Member's global goals will benefit from being anchored in the wider context of overall UN Reform.

The European Community agrees with the ambition to substantially increase the share of ODA for agriculture as outlined in paragraph 48 of the proposed Strategic Framework. However, to state that the level of the 1980s should be a target is not a proper reflection of the needs of today, nor is

it acknowledging the fact that wider efforts, such as achieving all the MDGs, will be crucial to overcome rural poverty.

José A. QUINTERO GÓMEZ (Cuba)

En lo relativo al Marco Estratégico que nos han presentado 2010-2019 agradecemos a la Secretaría y también a todos los Estados Miembros pues consideramos que es un buen documento que constituye una buena base para encauzar en los próximos años el trabajo de la FAO.

Este Marco Estratégico ha sido el resultado de un amplio debate y de consideraciones por los Estados Miembros a través de su participación en los Grupos de Trabajo de Comité de la Conferencia y nos satisface que dichos comentarios hayan sido tenidos en cuenta e introducidos en el documento.

La delegación cubana pues, valora altamente la importancia de este documento como una guía de acción para los Organismos Rectores de la FAO y los Países Miembros. De igual forma insistimos en que su sola existencia no garantizará el cumplimiento del papel que le corresponde jugar a la FAO en el contexto actual.

Al aprobar este Marco Estratégico, todos los miembros de la FAO asumimos nuevas responsabilidades que son bastante altas. Por tanto será necesario un completo compromiso de la Secretaría y de todos nuestros Estados para dar cumplimiento a lo que nos proponemos en este documento.

Hechos estos comentarios, la delegación cubana apoya la aprobación del mismo.

Okaasai OPOLOT (Uganda)

Uganda recognizes this document as a well-written document emphasizing land and water use, crop intensification and livestock support and we do believe that if this document is implemented fully it will deliver food security and we support the adoption of the strategic document.

Emanuel M. ACHAYO (United Republic of Tanzania)

The United Republic of Tanzania also supports and endorses the Strategic Framework as a good framework for giving a more focussed approach to the FAO approach. Indeed the Strategic Framework reflects on what objectives or what Members would like to see happening in the long term.

There are eleven Strategic Objectives and the two Functional Objectives will help the Organization in addressing its mandate according to the Organization's comparative advantage.

The United Republic of Tanzania again endorses the Strategic Framework and a call for Member Nations to align their agricultural development plans with FAO Strategic Framework in order to create synergies and complementarity.

CHAIRPERSON

Thank you very much Tanzania and I see no other speakers in the room and therefore I turn to Mr Haight to provide clarifications on some of the questions raised.

Boyd HAIGHT (Director, Office of Programme and Budget)

Thank you Madam Chair and thank you very much to the delegates for support expressed for the new Results-Based Approach that is embodied in the Strategic Framework. This was noted by several Members, including New Zealand and Sweden. It is indeed a different way of working for the Organization to ensure that we are actually carrying out work that contributes to the goals and objectives of Members. We have learned from the process, not only from the experience with the current Strategic Framework that was approved in 1999, but also through the consultation and good collaboration with Members over the past year in coming up with the objectives and the results.

The question of New Zealand on the modification to paragraph 48 was the subject of some discussion and the Working Groups of the Conference Committee on IEE follow-up. The original

version mentioned attaining 17 percent share of ODA for agriculture and that was removed in the modified paragraph. Remember also that this first section provides context and, therefore, will be subject to revision as we move forward to address the challenges ahead.

CHAIRPERSON

Thank you very much and with this we can conclude our discussion on Item 16 of our Agenda which I summarize as follows:

Members endorse this document. They consider it as a reference document; a guide to FAO Management, Governing Bodies, for remaining engaged in achieving the strategic goals. The addendum was also part of the discussion and was clarified.

With this I suggest that we shall break for lunch and I would expect delegations to be back in the Red Room sharply at 3:00 pm, and then we start with Item 17 the Medium Term Plan 2010-2013 and the Programme of Work and Budget 2010-2011.

The meeting rose at 12.20 hours

La séance est levée à 12 h 20

Se levanta la sesión a las 12.20 horas

CONFERENCE CONFÉRENCE CONFERENCIA

**Thirty-sixth Session
Trente-sixième session
36o período de sesiones**

**SECOND MEETING OF COMMISSION II
DEUXIÈME SÉANCE DE LA COMMISSION II
SEGUNDA SESIÓN DE LA COMISIÓN II**

19 November 2009

The Second Meeting was opened at 15:12 hours

Ms Agnes van Ardenne-van der Hoeven,
Chairperson of Commission II, presiding

La deuxième séance est ouverte à 15 h 12
sous la présidence de Mme Agnes van Ardenne-van der Hoeven,
Présidente de la Commission II

Se abre la segunda sesión a las 15.12 horas
bajo la presidencia de la Sra Agnes van Ardenne-van der Hoeven,
Presidente de la Comisión II

PROGRAMME AND BUDGETARY MATTERS (continued)
QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET (suite)
CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS (continuación)

17. Medium Term Plan 2010-13, and Programme of Work and Budget 2010-11 (Draft Resolution) (C 2009/15)

17. Plan à moyen terme 2010-13, et Programme de travail et budget 2010-11 (Projet de résolution) (C 2009/15)

17. Plan a plazo medio 2010-13 y Programa de Trabajo y Presupuesto 2010-11 (Proyecto de resolución) (C 2009/15)

CHAIRPERSON

This morning we have made good progress with our agenda, so now we can take into account the Medium-Term Plan 2010-13 and the Programme of Work and Budget 2010-11, document C 2009/15. And as usual, before inviting delegations to take the floor on this item, I would like to turn to Mr Haight, Director of the Programme and Budget Evaluation division to introduce this Item.

Boyd HAIGHT (Director, Office of Programme and Budget and Evaluation)

Madam Chairperson, distinguished delegates

The Medium-Term Plan 2010-13 and Programme of Work and Budget 2010-11 have been progressively formulated this year by the Secretariat, in consultation with Members through the Conference Committee for IEE follow-up, the Committees of Council and the Council itself.

The MTP/PWB document presents a comprehensive package of proposals in a new format. As agreed by the Council and in line with the IPA, the MTP and PWB are presented in a combined document to highlight in the results frameworks the linkage between the means of action and planned results.

First let us briefly turn to the Medium-Term Plan 2010-11. It is based on the eleven Strategic Objectives in the new Strategic Framework that we discussed this morning. They broadly define FAO's contributions to the impacts needed to help meet the food and agriculture challenges in Member Nations, while two Functional Objectives define the internal aspects of the Organization's work for providing effective assistance.

The hallmark of this new MTP is the set of 56 Organizational Results – that is, the outcomes that FAO commits to deliver, which are formulated and presented in logical results frameworks. These results frameworks include 174 measurable indicators of achievement with two and four-year targets to facilitate monitoring and reporting. They will be implemented under the responsibility of senior managers leading corporate multi-disciplinary and multi-location strategy teams.

The Council reviewed and recommended to the Conference the Medium-Term Plan 2010-2011 and the Organizational Results Frameworks contained therein. It also looked forward to further improvements in three main areas: prioritization; formulation of performance indicators, baselines and targets; and the design and implementation of results-based monitoring and reporting system, which we also discussed briefly this morning. These improvements are envisaged to take place progressively, in consultation with the Governing Bodies, during the first full cycle of enhanced governing body review and oversight of the programme and budget process in the 2010-2011 biennium.

Now turning to the Programme of Work and Budget 2010-2011, it is unique in three ways:

First, it presents the integrated financial requirements to implement a unified programme of work funded from the Assessed and Voluntary Contributions;

Second, the Programme of Work is directly aimed at achieving the two-year targets in the results frameworks, thus linking the means of action and resources to the results and objectives in the frameworks while enabling accountability and oversight; and

Third, the PWB fully integrates the reforms set out in the Immediate Plan of Action (IPA) and the conclusions of the Root and Branch Review.

The total resource requirements to achieve the two-year targets under the unified programme of work are nearly USD 2.3 billion. Of this, USD 995.9 million, 44 percent of the total, would come from Assessed Contributions of Members, and USD 1 265 million would be From Voluntary Contributions.

Turning first to the estimated voluntary contributions, they fall into three categories:

Core Voluntary Contributions, being Trust Fund projects and other income, that provide direct support to the Regular Programme; technical assistance to Member Nations through the Field Programme; and emergency and rehabilitation assistance; with all of these funds again supporting the achievement of the targets in the results frameworks.

Just under half of these estimated voluntary resources are assured through ongoing and pipeline projects, and the remainder will be gathered through a resource mobilization strategy which is put forward in the IPA with three main elements:

First, the seven Impact Focus Areas which communicate and advocate for less earmarked and more pooled funding to be applied to priority groups of Organizational Results;

Second, through regional areas of priority action that will be developed together with the Regional Conferences; and

Third, the National Medium-Term Priority Frameworks at country level.

The Council welcomed the integrated planning and presentation of Assessed and Voluntary Contributions. However, it did express concern about the risk to programme delivery by the extent of dependence on Voluntary Contributions and it requested the Programme and Finance Committees to closely follow the Secretariat's efforts to manage this risk.

Now turning to the proposed net appropriation of USD 995.9 million, this represents a 7.1 percent increase over the PWB net appropriation 2008-2009. It accommodates three increments:

First, the increment of USD 15.5 million for the IPA, which is in addition to USD 4 million allocated for the IPA within the budget base;

Second, an increment of USD 700 000 for Security Expenditure; and

Third, the increment for cost increases of USD 49.9 million, being the incremental cost of personnel services and other goods and services from the recosting of these inputs to 2010-2011 values. It should be noted that the cost increases are not a programmatic increase.

Concerning funding for the Immediate Plan of Action in 2010-2011, while the Governing Bodies have stressed the importance of guaranteed funding of the IPA in the coming biennium, in finalizing the PWB proposal, it was considered that funding 100 percent of the IPA costs from the Net Appropriation would not have been possible without adversely impacting the programme of work or further increasing the proposed Assessments. Therefore, the Net Appropriation provides for just over half of the IPA requirements, that is USD 19.5 million, with the balance of USD 19.1 million assigned to Core Voluntary Contributions.

Now the cost increases that I mentioned of USD 49.9 million represent a 3.5 percent increase on an annual basis, or 5.3 percent of the Net Appropriation. They have been carefully calculated by the Secretariat using the approved methodology and they have been examined by the Finance Committee. Further information has been provided in supplementary notes that have been reviewed and discussed by Members.

Concerning efficiency savings, the proposed Net Appropriation takes account of the USD 22.1 million in additional savings and efficiency gains that were mandated by the Conference to be achieved in the current biennium. The Organization is committed to achieving efficiency savings in the range of 1 to 1.5 percent per annum and the proposed level of USD 19.6 million in savings to be found in 2010-2011 is a realistic target in the context of the substantial reform projects and measures to be undertaken. In his speech to the Conference this morning, the Director-General cautioned against setting unsubstantiated and unprogrammed efficiency targets for the 2010-2011, which would put at risk the momentum of FAO renewal and services to Members.

There is a proposal in the appropriations resolution to provide some budgetary flexibility during implementation. This is because under the new results-based budget, the PWB proposes an increase in the number of budgetary chapters, from 8 to 18. The PWB document proposes the flexibility to the Director-General to make transfers of up to 5 percent between Chapters to effectively implement the Programme of Work. Following on informal discussions with Members in the past weeks, a revised proposal for flexibility has been put forward to limit it to the 11 Chapters devoted to the Strategic Objectives, that is the programmatic part of the budget. Whatever the flexibility granted, the Director-General shall continue to report on a regular basis to the Finance Committee on budgetary performance.

Finally, as requested by the Finance Committee and in line with past PWB documents, the PWB 2010-2011 proposes to stabilize the General Fund deficit and avoid liquidity shortages. A minimum incremental funding requirement for addressing the financial health of the Organization amounts to USD 31.6 million, which is in addition to the 2008-2009 approved additional assessment of USD 14.1 million towards funding for the After Service Medical Coverage liabilities.

Madam Chairperson, as you know, a group of "Friends of the Chair" of Council has met three times in October and November to discuss and bridge gaps on six of the above key financial issues in the proposed PWB 2010-2011; that is on anticipated cost increases, proposed efficiency savings, flexibility to effect transfers between budgetary chapters during implementation, method of funding of the IPA, the level of the Net Appropriation, and measures for improving FAO's financial health.

In his speech to the Conference this morning, the Director-General welcomed this informal consultative process. To facilitate the Friends' discussions over the past month, the Secretariat prepared six succinct information notes to provide Members with all the facts needed to help understand and discuss these complex financial issues. The Secretariat has also recently prepared and issued 12 short issue notes to raise the awareness of Members of these and other issues in the document. These notes are available at the Documents Desk in front of the meeting room.

Madam Chairperson, we look forward to the outcome of your deliberations on the proposed Medium-Term Plan and Programme of Work and Budget for the Organization. As always, the Secretariat is at your disposal to provide any clarifications and additional information you may require to facilitate your discussions. Thank you.

CHAIRPERSON

Thank you very much, Mr Haight, for this introduction and now I open the floor to delegations wishing to speak on this item.

I recognize the Russian Federation and Japan. We start with the Russian Federation, the floor is yours Sir.

Valery YUDIN (Russian Federation) (Original language Russian)

Well it is not really a statement that I am going to make but rather a lengthy question which I would like to put, Sir, what we have just heard from the distinguished representative of the Secretariat in his presentation was something that we already heard about at the past Council at its Hundred and Thirty-eighth Session. I have just arrived from my capital city, I attended the last Council meeting and I know that it was planned to convene several meetings of the 'Friends of the

Chair'. If I have understood the Secretary, such meetings of the 'Friends of the Chair' have taken place but I would like to know in a more detailed fashion what happened during these meetings of the 'Friends of the Chair' and what is the present status of the budget issue for the next biennium. Have we agreed on something, or shall we have to start everything from scratch once again?

So, Madam Chair, before I take the floor once again, with your leave Madam, to make a brief statement, I would like to have some elucidation. Can we have an update on all of the aforementioned issues?

CHAIRPERSON

What we have done in the meetings of the group of 'Friends of the Chair' was exchanging views and mostly on getting more clarification on the documents, and also on the information which is provided in the PWB on the budget itself. There was no conclusion, not in any meeting, and countries have considered what has been presented and now the moment is there to listen to the countries and the governments, what they have decided based on the information which was provided, so these group of Friends' meetings were not meant to reach a conclusion and hopefully we will do it here.

You want to make your statement now? Later on.

Shuichi AKAMATSU (Japan)

My delegation would like to make several comments on this subject.

First point is that the budget to implement the Immediate Plan of Action should be incorporated into the regular budget in full because the implementation of the IPA will benefit all the Member Nations and a stable financial basis for the IPA is needed.

Second point is that after the Programme of Budget, we should seek for room for further savings as well as prioritizing the programmes. By means of this method, we can postpone the low prioritized programmes to 2012 or later. In this context, although my delegation admits the importance of the After Service Medical Coverage and the Special Reserve Accounts, we can postpone the funding for the ASMC liabilities and restore them to the SRA taking into account the current economic situation because we are very glad to observe that the amount of overdue contributions is decreasing and the improvement of the cashflows is envisaged. My delegation believes that it is possible to postpone them in relation to the shortage of the finances attributed to the overdue contributions and delayed payments.

My delegation would like to request the Secretariat to continue to make efforts to tackle the quotas by resorting to easy-going measures such as establishing a fund.

Lastly, my delegation would like to reiterate that 3.5 percent increase of cost is too high for us to accept, taking into account the current economic and financial situation and therefore my delegation insists that incorporating the IPA into the Regular Programme the total amount of the programme budget in 2010-2011 should remain as it was in 2008-2009.

CHAIRPERSON

I am looking around – other speakers – Mexico you have the floor.

Jorge Eduardo CHARPENTIER (México)

Mi delegación ha examinado cuidadosamente el Programa de Trabajo y Presupuesto 2010-2011 y en primer lugar quisiera señalar que hemos considerado que el aumento propuesto es desproporcionado y no se apega a las posibilidades de algunos de los Estados Miembros.

Hay que examinar estas propuestas de incremento con las posibilidades que tienen los países que han sufrido de un entorno internacional negativo y que les ha afectado en sus niveles de ingresos gubernamentales.

México está comprometido, está comprometido actualmente con una política de austeridad en el gasto público. Como uno de los principales contribuyentes financieros a la Organización, quisiera

que la Secretaría encuentre mejoras en la gestión y ubique rubros de ahorro, eficiencia y racionalización de plazas y estructuras.

Por otra parte mi delegación quisiera subrayar la importancia de adoptar medidas que impidan un crecimiento del presupuesto para el bienio siguiente y que incluso algunos de los costos propuestos se pospongan para el siguiente bienio a fin de facilitar la aprobación de este presupuesto con la mayor participación posible.

Por último, quisiera dejar claro, que mi delegación lamenta que el presupuesto no sea un reflejo de la austeridad presupuestal que están ejerciendo sus Miembros.

CHAIRPERSON

Thank you very much, Mexico. I recognize Afghanistan. You have the floor, Dr Ayazi.

Abdul Razak AYAZI (Afghanistan)

Madam Chair, the Medium-Term Plan 2010-2013 and the Programme of Work and Budget 2010-2011 are interdependent and interfacing and both are grounded in the Strategic Framework 2010-19. Because of the close linkage between the MTP and the Programme of Work and Budget that presentation in one document is a sound and helpful construction. Some repetition between the Strategic Framework, the MTP and the Programme of Work is unavoidable but Members can live with it. The MTP 2010-13 is a brief document in comparison to the previous version. It is 116 pages, succinct, with a good structure and very well-articulated. The brevity of the document is justified because the eleven Strategic Objectives and the two Functional Objectives are fully covered in Section 4 of the Programme of Work and Budget. We think that the detailed treatment of the eight Core Functions, that is paragraphs 36 to 64, and the seven impact focus areas, eight in the MTP, is a good arrangement. The proposed integrated Programme of Work and Budget for 2010-2011 stands at USD 2.2 billion a 27 percent increase from the biennium 2008-2009. Of this sum, USD 996 million is Net Appropriation and the remaining USD 1,200 million are extra-budgetary contributions, of which USD 276 million are projects in support of FAO's technical work and support services, which is now labelled as the Core Voluntary Contribution. The Net Appropriation of USD 996 million programmed for 2010-2011 which excludes incremental financial requirement, is 7.1 percent higher than that of 2008-2009. It can therefore be said that in terms of Assessed Contributions, the budget increase in real terms, that is after making allowance for anticipated cost increase is less than 2 percent. The big increase in the level of the Programme of Work 2010-2011 is with respect to extra-budgetary resources, thus the Core Voluntary Contribution is shown to be 13 percent higher than the corresponding figure of last biennium, of the current biennium. The general opinion among Member Nations is that excessive dependence of the normative work of FAO on extra-budgetary resources is not a healthy sign for the future of the Organization. Excluding the cost increase of close to USD 50 million, 42 percent of the net appropriation is earmarked for 11 Strategic Objectives and 3 percent for the true functional objectives. We think this is a fair balance. The share of TCP and Net Appropriation remains at 11.5 percent, and the FAO programme at 8 percent.

For building the financial health of the Organization in a sustained manner a minimum sum of USD 31.6 million is proposed for After Service Medical Coverage and special zero account. The sum has no relationship to the Programme of Work and Budget 2010-2011 because it gives good liability and liquidity and Member Nations can either approve this sum as a sign of good financial health, or postpone the matter and try to live with the programme for the time being.

Chairperson, the completion of the Immediate Plan of Action, IPA, is absolutely essential for the renewal of FAO. More than half of the IPA actions are expected to be completed by the end of 2009 but some of its important features are planned for completion in 2010-2011 and maybe even in 2012. Given the high priority attached to the completion of the IPA, we support the allocation USD 38.6 million in the next biennium for the 16 IPA projects. We also support the proposal to share the sum equally between the Net Appropriation and Core Voluntary Contribution. We are in agreement with the proposed budgetary chapters for the current biennium, but do not rule out the possibility of reductions in the number of structures in the next biennium 2012-2013. Having

embarked on a new regime of programming and budgeting of Results-Based Management, we favour the proposal to give the Director-General the authority to transfer up to 5 percent of Net Appropriation between chapters. In our view, this flexibility is needed to better address cross cutting issues among Strategic Objectives, as well as making room for programmes that may arise with the enhancement of decentralisation and human resource development now under way.

From Annex 6 of the Programme of Work and Budget 2010-2011, it comes out that USD 220 million of Net Appropriations plus Core Voluntary Contribution is earmarked for Decentralised Offices, of which 40 percent is for FAO Country Offices. This sum comes to 18 percent of the Net Appropriation plus Core Voluntary Contribution, programmes for 2010-2011. The largest share, 50 percent of the proposed budget for the FAO representation, relates to Africa which we can very well understand because most of the LDCs are concentrated in Africa.

Finally, we support the level of the budget 2010-2011 as submitted by the Director-General in Section I.B of document C 2009/15 before cost increases, and wish to endorse the draft budget Resolution. Thank you, Madam Chair.

Ms Cecilia Nordin VAN GANSBERGHE (Sweden)

Thank you, Madam Chair. I am speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, The Former Yugoslav Republic of Macedonia and Turkey associate themselves for this Statement.

At the outset, the EC would like to thank the FAO Secretariat for the documentation regarding this Agenda Item. We recognize and appreciate work put into the preparation of the Medium-Term Plan as well as the Programme of Work and Budget by the Management and staff of the Organization. We are convinced that this effort would lead to more effective and efficient FAO, with more effective prioritization and delivery of substantially better result in the field. We appreciate that this is work-in-progress. The EC has taken note of the Medium-Term Plan for 2010-2013. We consider this to be an innovative document in that it provides a concise and focused presentation of the new results-based framework of the Organization. With regard to the Programme of Work and Budget 2010-2011, the EC notes that the Secretariat has produced a document that takes guidance from the Governing Bodies of the Organization into consideration. We recall the discussions on the concept of Reform with Growth, among others in the Joint Session of the Programme and Finance Committees, and the main conclusions drawn in the recently adopted Report of the CoC-IEE. In this regard, we welcome the opportunity for Members to view the budget in an integrated manner, including Assessed as well as Voluntary Contributions. The EC is the biggest provider of Voluntary Contributions to the FAO, and we stand ready to continue supporting the Organization as reform progresses and overall performance improves. The integrated budget provides the basis for a more transparent and open prioritisation process in the future. The EC acknowledges that the new budget process needs more than one budget cycle to be fully effective. The EC considers the ongoing Reform of FAO, including the full and timely implementation of the Immediate Plan of Action, to be an over-arching priority. The Reform would lead to an organization that performs better and makes more effective use of the resources available, thereby building confidence and increasing its ability to attract additional funding. Therefore, the guaranteed financing of the IPA is of utmost importance. The level of Voluntary Contribution has been insufficient in 2009, not allowing a full implementation of the planned Reform measures. Consequently, to secure its financing during the next biennium, the IPA should be fully funded by Assessed Contributions. Some Member Nations are unable, according to national financial regulations, to contribute voluntarily to organizational reforms. The EC is moreover of the strong belief that the financing of Reform should be shared by the full Membership of the Organization, thereby guaranteeing the broadest possible ownership of the Reform process. The EC supports in principle a budget that maintains the impact of the Regular Programmes of the Organization. However, we are collectively facing severe economic challenges in the face of last year's financial crisis, and this requires us all to give very careful consideration to the prioritisation of these programmes. For this reason, the EC proposes, as a sound and responsible sequencing measure, to defer the decision on how to improve the financial

health of the Organization. This applies, in particular, to the incremental cost of the After Service Medical Coverage as well as the replenishment of the Special Reserve Account. The EC underlines the importance of a solid base for establishing the Programme of Work and Budget 2010-2011 taking into account the impact of any one time financial provision during the current biennium. The EC refers to the discussions on the proposed Programme of Work and Budget in the "Friends of the Chair" meetings and notes the additional information provided by the Secretariat. In that context, we have noted the current very low level on inflation. The EC believes that the anticipated cost increases should be significantly lower than the level proposed in the draft Programme of Work and Budget. Furthermore, the EC believes that a more ambitious estimate of three percent of efficiency gains and savings over the biennium is appropriate. Noting with appreciation the track record of the previous biennium, to have ambitious targets for efficiency gains is both normal and good business practice in public financial management. Almost all of our Ministries and Agencies have similar or more stretching targets. As the Chief Executive Boards have previously highlighted, we must ensure that the United Nations as a whole maximises efficiency gains. The EC also believes that the FAO should be able to achieve the level of Miscellaneous Income targeted for the current biennium. With the new Chapter structure of the budget, the EC can acknowledge the merits of the need for larger flexibility with regard to transfers between an increased number of budgetary chapters. The EC accepts the proposal of allowing the Director-General the possibility to transfer an amount not exceeding five percent of the giving chapter, as long as the amount does not exceed five percent of the receiving chapter. All transfers made in this regard should be reported in accordance with the provisions of Financial Regulation 4.5b. Thank you, Madam Chair.

CHAIRPERSON

Thank you very much, Sweden. I have on my list United Republic of Tanzania and then Cameroon and Uganda. But first, Tanzania.

Emanuel M. ACHAYO (United Republic of Tanzania)

Thank you, Madam Chair. The delegation from the United Republic of Tanzania found out that the Strategic Framework, Medium-Term Plan 2010-15 and the Programme of Work and Budget 2010-2011 are inter-related. Therefore, in that case, with regard to the method of funding the IPA, the Tanzanian delegation is in favour of 50/50 percent funding of the IPA, because 100 percent funding by Assessed Contributions might pose the risk of preventing the FAO Reforms. We are living in a world with risks and uncertainties which might pose a threat to IPA funding through the Assessed Contributions. However, some of the cost increase areas can be reduced except for the IPA which is very, very important for the FAO Reform. The delegation from the United Republic of Tanzania would also like to know the pros and the cons of according or not according the Director-General a certain level of flexibility to effect transfers between budgetary chapters before we give our position on this issue.

With regards to FAO's financial health, the Tanzania delegation believes that the Working Capital Fund will reduce the risks to executing the Programme of Work since the Working Capital Fund will act as a buffer to advance money to the General Fund pending receipt of Members' Assessed Contributions. Thank you.

Moungui MÉDI (Cameroun)

Nous nous réjouissons de vous voir présider notre Session de cet après-midi et, certainement, nous vous assurons de toute notre contribution pour faire avancer votre travail. Le Cameroun se satisfait de la présentation du Plan à moyen terme 2010-2013 et du Programme de travail budget 2010-2011 dans un seul et même document, ce qui rend son exploitation plus aisée. La préparation de ce document a bénéficié d'une consultation très large aussi bien dans le cadre du contenu de la Conférence sur le suivi de l'Évaluation externe indépendante (EEI) qu'au sein des autres Organes directeurs de la FAO, notamment le contenu du Programme, le contenu financier et les autres contenus techniques et même le Conseil. En ce qui concerne la conception d'ensemble, c'est un document suffisamment détaillé qui inaugure un processus nouveau de

planification. Faisant un lien étroit avec le Plan stratégique mais aussi avec une orientation axée sur les résultats dont les bases ont été posées par le Plan d'action immédiate (PAI) approuvé par la Conférence en 2008.

Pour ce qui est du Programme à moyen terme, qui applique les principaux éléments du Cadre stratégique incluant les trois objectifs globaux, les onze objectifs stratégiques, les deux objectifs fonctionnels, les huit fonctions essentielles, les résultats de l'Organisation mesurés par des indications et les domaines d'action prioritaires, nous estimons qu'il est conforme à l'esprit de la Réforme de la FAO en matière de planification stratégique et soutenons sa présentation en l'état.

S'agissant du Programme de travail et budget (PTB), la présentation intégrée des ressources ordinaires et extra-budgétaires est conforme aux orientations données par les Organes directeurs et nous la saluons.

Nous soutenons la nouvelle présentation du budget avec un chapitre pour chaque Objectif stratégique et fonctionnel tout en créant des chapitres particuliers pour le Programme de la coopération technique et les Représentations FAO, compte tenu de la nature de leurs activités.

Qu'il nous soit cependant permis d'aborder les questions suivantes dans le cadre de ce PTB et nous souhaitons aborder ici six points essentiels. Le premier point a trait au processus de détermination des priorités pour l'Organisation. Nous restons convaincus que le système de planification mis en place qui procède par des consultations et des principes interactifs, doit pouvoir nous conduire au bout de la chaîne afin de définir les priorités sur une base concrète sans avoir à passer par une décision politique.

Au fur et à mesure que l'expérience de la FAO dans ce processus de planification ira grandissante, plus objective sera la détermination des priorités. Pour ce qui est de ce PTB, nous pensons que les priorités du Programme qui ont été définies par l'Objectif stratégique, constituent le minimum que l'on peut demander à la FAO pour ce biennium afin de remplir son mandat.

Le deuxième point est la mise en œuvre du PAI. Nous considérons que le PAI est un programme ambitieux qui constitue l'ossature de la Réforme de la FAO et nous soutenons sa mise en œuvre intégrale. Nous notons que pour répondre aux recommandations de l'examen détaillé conduit par le Cabinet *Ernst & Young* et pour accommoder le déficit de mise en œuvre, le Secrétariat a sollicité une révision de certaines activités et, nous pensons, qu'elle est justifiée et nous la soutenons.

La question centrale reste donc celle du traitement du PAI dans le budget. La seule alternative à la proposition d'un traitement à 50 pourcent entre les ressources ordinaires soit 19,6 millions de dollars E.-U. et extrabudgétaire 19,1 millions de dollars E.-U. sans que le Programme en pâtisse, est une augmentation équivalente des contributions mise en recouvrement. C'est une option à examiner et nous sommes prêts à y participer.

Troisième point, l'ouverture des crédits. Le montant total des crédits prévu dans le PTB à financer par les contributions ordinaires est de 995,9 millions de dollars E.-U. Ce montant, si l'on s'en tient aux détails des différents chapitres, se base surtout sur les programmes prioritaires identifiés pour le biennium et la nécessité de préserver le pouvoir d'achat sur la base des coûts actualisés. Pour ce qui est des contributions volontaires, et prenant acte des informations du Secrétariat sur les signaux possibles venant des différents bailleurs de fonds, le montant estimé de 1 265 millions de dollars E.-U. nous semblent réaliste. La distinction entre contribution volontaire de base et contribution volontaire extra-budgétaire, dont les notions au départ nous semblaient incompréhensibles, se révèlent adéquates aujourd'hui. L'enveloppe estimative globale de 2 660,9 millions de dollars E.-U. à mettre à disposition de l'Organisation, pourrait, nous le pensons, permettre à la FAO de mener à bien son Programme de travail en 2010-2011.

Pour ce biennium, qui est le premier de l'ère du renouveau de la FAO, il serait difficile au regard du système de planification et de la nouvelle présentation du budget, de faire des comparaisons justes avec le biennium 2008-2009 et nous souhaitons encourager tout le Secrétariat et les Membres à ne pas s'y aventurer. Nous prenons cependant note de ce que la différence entre les

deux bienniums est de 7,1 pourcent. Ce qui ramène à l'année, une augmentation normale qui rentre dans le cadre des calculs des coûts d'inflations.

Le quatrième point, les économies et gains d'efficience. Nous prenons note du montant de 19,6 millions de dollars E.-U., qui a été identifié dans ce cadre intégré dans le PTB. Nous encourageons la Direction à s'employer, dès le début de la première année, à les réaliser effectivement. Nous réaffirmons notre souhait de voir les économies réaffectées au financement des programmes.

Cinquième point, amélioration de la santé financière, la trésorerie et les réserves de l'Organisation. Il s'agit de prendre ici des décisions importantes par les Organes directeurs. Nous soutenons toute mesure tendant à faire face aux obligations liées au personnel notamment celles en rapport avec l'assurance maladie après prestation de service, et serions heureux de voir un début de prise en compte des arrivées afférent dans le cadre de ce PTB et considérons le montant de 25,2 millions de dollars E.-U. comme une base. En outre, la reconstruction du fond de réserve spéciale, pour un montant de 6,4 millions de dollars E.-U. nous semble justifiée elle aussi.

Sixième point, enfin, la sécurité. La question de sécurité dans ce PTB n'est pas très évidente de notre point de vue. Mais, nous pensons que cette question pour le personnel des Nations Unies, est tout à fait à l'ordre du jour aujourd'hui considérant les pertes que le Système des Nations Unies, d'une manière générale, a connu ces jours. Dans ce contexte précis, Madame la Présidente, les États Membres devraient prendre tout cela en considération pour donner à l'Organisation les moyens nécessaires pour assurer la sécurité totale de son personnel.

CHAIRPERSON

Thank you very much Cameroon, and thank you for your support.

Now we move to Uganda, so now you have the floor.

Robert SABIITI (Uganda)

The Uganda delegation wholly associates itself with the presentations by the distinguished delegations of Afghanistan, Tanzania and Cameroon. We also emphasize that Uganda has been closely associated with production of the documents before us for discussion. It is also important to note that different committees, namely the Programme Committee, the Finance Committee, the CoC-IEE and then the FAO Council have studied and endorsed these documents for Conference approval.

We welcome the position of balancing the budget for IPA implementation at 50 percent net appropriation and 50 percent extra-budgetary resources. That arrangement ensures that field programmes are not adversely affected.

Let us also note that this final position is a shift from the original 20 percent net appropriation and 80 percent extra-budgetary resource allocation.

We welcome the Medium Term Plan 2010-2013 and Programme of Work and Budget 2010-2011. We find both parts of the document well-balanced, and reflecting the wide ranging views of the Membership.

We are appreciative of the proper linkage of the Medium-Term Plan with the Strategic Framework that was discussed this morning and then between the Programme of Work and Budget 2010-2011.

We welcome the integration of the Regular Budget and extra-budgetary resources. This provides a transparent and systematic approach for resource allocation and budget implementation.

With these comments, Uganda endorses the document and the Draft Budget Resolution for adoption.

CHAIRPERSON

Thank you very much Uganda. Now I have from my list the People's Democratic Republic of Korea, then Switzerland, then the Russian Federation. We start with the People's Democratic Republic of Korea.

Chun Il PAK (People's Democratic Republic of Korea)

My delegation recognizes that the draft Medium-Term Plan 2010-2013 and the Programme of Work and Budget 2010-2011 were well-designed based on changing requirements of the realities and the Immediate Plan of Action for reforming FAO.

Today's global food shortage caused FAO to further announce its responsibility in the role in order to implement successfully the Declaration adopted recently.

In order to overcome today's green realities and achieve global food security we think that FAO, on one hand, should cover the food crisis by quickly organizing the Committee on World Food Security into a coordinating agency to approved food security policies with a wide range of stakeholders. On the other hand, FAO should contribute to increasing crop production by enhancing improvements of its activities through the Technical Cooperation Programme and the Special Programme for Food Security.

I think the draft Programme of Work and Budget 2010-2011 based on general real growth submitted to the current session of the Conference is well-designed and is compatible to FAO's Strategic Framework.

At the same time they were designed in a way which balances the activities in sectors so as to carry out FAO's tasks in a satisfactory manner. In this sense I support them.

I, believing that the draft Programme of Work and Budget will be adopted as it is, expect the Regional Offices of the Organization to have more power in the implementation of activities. I also expect due attention regarding the technical cooperation provided to the developing countries will be implemented in a quick and more effective manner according to the new Programme of Work.

Hubert POFFET (Switzerland)

Switzerland considers that the Medium Term Plan for 2010-13 is a good document which gives a focussed presentation of the new results based framework of FAO. In our view, it is a good basis for going ahead with the necessary process of prioritization. Improvements are also needed in key areas such as formulation of performance indicators, baselines and targets.

As far as the Programme of Work and Budget 2010-2011 is concerned, we welcome the presentation by FAO Secretariat of a unified work programme and an integrated budget.

Regarding the budget for 2010-2011, Switzerland basically supports the maintenance of Regular Programme, but in our view the proposed increase of nearly 11 percent in the level of Assessments compared with the present minimum is not adequate, given also the current economic crisis which affects us all.

We are ready to contribute to the search for a consensus and in our view such a consensus should be based on the following principles. Firstly, the cost of the IPA implementation must be fully financed by Assessed Contributions, secondly, the cost increases must be compensated by efficiency gains, and thirdly, the measures aimed at improving FAO's financial ailments must be postponed in our view.

Valery YUDIN (Russian Federation) (Original language Russian)

This delegation has not really prepared a separate statement on this because we were under the assumption that the Friends of the Chair would manage to cope with the task that was transferred to them by the Hundred and Thirty-seventh Session of the Council, and thereby would reconcile the positions of the various Member Nations. That is how I understand the English phrase 'bridge

a gap' says the speaker in English and that they would therefore be able to reconcile positions to such an extent that at this Conference the Russian side would only have to vote in favour of the approved budget or proposed approved budget for 2010-2011. But clearly, the Friends of the Chair either were not able to fully demonstrate the solidity of their friendship or else, the task that was remitted to them was far too complicated for them to cope with it. So now we are back to square one as the situation was six weeks ago. During that time the position of the Russian delegation did not basically undergo any radical changes.

I shall merely take the liberty of highlighting the main points of our position. We do not have a wedded position regarding the basic dilemma as I understand it, i.e. either paying for the IPA out of the regular budget, on the basis of the Assessed Contributions to the tune of 50 percent of such Assessed Contributions, or to the tune of 100 percent; that seems to be the dilemma.

Now our concern is somewhat different. At the last meeting of the Council it was stated that the proposed level of the budget, USD 995 million, was unduly high. That was our position then and it is still our position today. However, if a consensus emerges on the proposed level of the budget, the figure I just gave you of USD 995 million, we shall not oppose such a consensus, but we will not be in a position to support a proposal which would lead to a further increase of the budget over and beyond the mentioned level.

At the last session of the Council, in my view, we already came to the following understanding regarding the issue of incremental funding of the After Service Medical Costs of retired staff and the increase in the amount of the Working Capital Fund - these are measures which can be put off to a subsequent period of time. Now, if that is done – that is certainly what we hope – then this would be a very reasonable solution given the difficult economic circumstances our world finds itself in, and we support such a decision.

Now, as regards the possibility of granting the Director-General more flexibility in budget transfers we are indeed indebted to the Secretariat for the Information Note that it prepared for the group of the Friends of the Chair, and we are quite prepared to go on considering this issue on the basis of that Information Note.

Lars P. HENIE (Norway)

Norway believes that the Medium-Term Plan and the Programme of Work and Budget is a good document, and we think most of the proposals in it are well-justified.

My delegation favours Reform with Growth, and for that reason we are prepared to accept the proposed budget level. However, the most important task first at this Conference is to continue our joint efforts to implement the Immediate Plan of Action, the IPA. This is our joint reform and it is therefore crucial that costs of implementing the IPA are carried by the entire Membership and consequently included in the Net Appropriation of the next budget.

A major concern for my delegation is that the financing of the reform so far has been largely based on Voluntary Contributions and not Assessed Contributions. This financing mechanism does not provide for predictable resources to the Reform Process at a critical point in time.

The Reform costs must be met with Assessed Contributions to ensure joint responsibility and ownership.

Norway is fully prepared to finance our fair share of the IPA as part of our Assessed Contributions. Those delegations who want voluntary financing of the IPA should state how much they are willing to contribute so that we can see how far we are from reaching the target.

CHAIRPERSON

Thank you very much Norway. I have no other speakers on my list, let me understand there are no speakers? Canada, I give you the floor.

Kent VACHON (Canada)

In the interest of brevity, I will simply indicate that Canada aligns itself very much with the statement made by the European Union on the budget level and its contents, but not on the question of transfers between Budget Chapters.

I limit myself to a few other points, the over-arching one being that it would be most useful and healthy for this Organization as it moves forward if the budget level could be adopted at this Conference by consensus.

We have come through the Reform Process and a number of other difficult negotiations. We have built up a rapport and it would be very beneficial to the Organization's long-term health and future if we could continue that positive momentum by achieving a consensus outcome.

I would note that Russia's understanding of where we had ended Council on financial health very much accords with Canada's. I thought there was quite a broad consensus that the minimum level for After service Medical Costs that would be incurred in the coming biennium need be covered but that the remaining items under the financial health request would be deferred to a future biennium where Member Nations own financial health will hopefully have recovered somewhat.

With respect to the other parts of the budget, Canada would note that FAO is at the beginning of a process of aligning the Organization to new Strategic Objectives in the Medium-Term Plan.

At this point FAO is still essentially trying to do everything, whereas what is perhaps needed is an FAO that maximizes its comparative advantage and is, therefore, better able to deliver real results where they will have the best impact.

We would also observe that there is significant further room for efficiency gains in this Organization as the Root and Branch Review only covered one aspect of the Organization's functionings.

To step back from the FAO for a second, looking System-wide, there are many parts of the UN System that are trying to deal with the impacts of the financial and economic crises, all of whose work is very much needed. There are parts that are dealing with global pandemics and many other challenges to the world's well-being. And yet, one sees when looking around the System that new assessed budgets have ranged from between Zero Nominal Growth and somewhere under five percent. Clearly the Management request put before us is too high and out of line with the remainder of the United Nations.

Canada is strongly committed to its international organizations and to multilateralism in general and believes an essential component in this is ensuring that our international organizations can be demonstrated and proven to our Financial Departments and our Parliaments that they are well run, efficient and making the best use of the money entrusted to them.

Full implementation of the IPA is thus *key*, and the Director-General this morning agreed that the Reform Plan was job number one. To us, this implies full coverage of the IPA under the Regular Budget, and I would note in this regard that there is no trade-off between Programmes and Reform. The IPA has at its core getting the FAO to best meet the needs of all countries and, most of all, for the developing countries that need FAO the most.

We are on a new path towards Results-Based Management and results-based budgeting. This is a new venture for FAO, both for Management and for delegations here. In this transitional biennium, we need more dialogue between Management, the Finance Committee and the Programme Committee. We need to see how money is moving towards priorities. Transparency is key to understanding and buy-in.

For this reason Canada wants transfers between Chapters to be explained to the Programme Committee and the Finance Committees and for the Finance Committee to approve transfers in line with existing provisions. To our knowledge, Management has never been denied permission to make such transfers and if there is any need to improve the procedures, this could be agreed to

within the Finance Committee, for example, electronic approval, that would deal with any issue of delays. But those sorts of details can, in fact, be sorted out by the Finance Committee and there is no need for Conference to take any decision regarding transfers between budgets.

CHAIRPERSON

Are there any other speakers? Dominican Republic, you have the floor.

Mario ARVELO CAAMAÑO (República Dominicana)

Me excuso por haber llegado tarde a esta sesión. He estado como ya sabe con la delegación que vino de República Dominicana y que está ya partiendo de regreso. Me alegra verla presidiendo esta reunión que me tocó presidir, en su asiento, hace dos años, cuando tratamos este mismo tema.

Voy a hacer dos breves intervenciones, una a nombre del Grupo de los 77 y otra a nombre de mi propia delegación.

El Grupo de los 77, los países en desarrollo acreditados aquí ante la FAO, hemos incluido en nuestras últimas tres reuniones plenarias, en septiembre, en octubre y en noviembre, el tema del Programa de Trabajo y Presupuesto 2010-2011 y luego de interesantes debates, el G-77 ha acordado los siguientes puntos, que voy a leer en el idioma inglés, en el cual fue preparado el original de la minuta de nuestra plenaria del 30 de septiembre y que fue reafirmada en las reuniones como ya dije, de octubre y de noviembre.

Continues in English

First, the G-77 reaffirms its commitment to FAO's strengthening and renewal and in the particular context of the PWB 2010-2011 recalls the main conclusions emanating from the IEE, that the Organization requires Reform with Growth.

Second, the G-77 restates that an adequate budget level that can guarantee the financial resources that the Organization needs to fulfill its mandate, preserve its technical programmes and safeguard its financial health.

Third, the G77 acknowledges that the Organization has offered a Programme of Work and Budget for 2010-2011 at a level of Zero Real Growth which can be supported by the G-77 despite some Members' wish for a Real Growth scenario, while also recognizing the relative impact of the current global financial difficulties upon each Member Nation's national finances.

Fourth, the G-77 recognizes that accepting any further efficiency savings, the margin for which the external consulting firm Ernest & Young has concluded as minimal, will result in the cutting of technical programmes.

Fifth, the G-77 supports the full coverage of After service Medical Costs on the understanding that such funding will not detract from technical programmes.

Sixth, the G-77 supports full coverage of the Special Reserve Account on the understanding that outstanding contributions, especially late payment, continually force the Organization to borrow externally with a risk to technical programmes.

Seventh, on IPA funding, the G-77 confirms its support for Management's proposal of a fifty-fifty split between Assessed and Voluntary Contributions, provided that technical programmes will not be affected.

Continúa en Español

Sra. Presidente esta es la extensión de las siete conclusiones a las que llegó el G-77 en las Reuniones Plenarias que he citado, obviamente países individuales podrán ampliar y dar más detalles sobre sus preferencias, respecto de cada uno de estos puntos y obviamente también incluir otros puntos.

Ahora, Presidente, con su permiso voy a tomar la palabra y continuar a nombre de la delegación de República Dominicana para aportar otros detalles, y esto se basa, Presidente, en el primer

elemento que le dije a nombre del Grupo de los 77, es decir, el apoyo que mi país da, como todos los países en desarrollo a la conclusión principal que ha emanado de la Evaluación Externa Independiente que la Organización cuente con una Reforma con Crecimiento.

Quiero llamar la atención, Sra. Presidente, del párrafo del Informe Final de la Evaluación que encontró que el consenso sobre este tema, el tema del nivel de presupuesto ha pasado a ser gradualmente un compromiso precario con el que ningún grupo de países se siente satisfecho y que ha permitido algunos de los principales contribuyentes dictar el nivel final del presupuesto, el cual básicamente ha sido en las últimas conferencias de Crecimiento Nominal Cero.

La delegación de República Dominicana hace suya también la conclusión de incluir en párrafo 14 del resumen ejecutivo del Informe Final y el párrafo 44 de dicho Informe y es la de continuar aplicando el Crecimiento Nominal Cero no es sostenible si los Miembros de la FAO quieren de verdad tener una organización adecuada para el Siglo XXI y para los retos futuros. Igualmente, Presidenta, mi delegación se hace eco del párrafo 18 del Informe Final de la Evaluación Externa Independiente donde indica que la conclusión central de dicha evaluación puede resumirse en tres palabras, Reforma con Crecimiento. La evaluación esta de acuerdo con que la FAO necesitara realizar reformas importantes y drásticas y es lo que hemos venido haciendo, Presidenta, en los últimos dos años.

La Evaluación Externa también llegó a la conclusión de que este tipo de reformas solo será posible y sostenible en un marco concertado que detenga y posteriormente invierta la decadencia financiera programática y estratégica que ha caracterizado a la Organización a lo largo de las dos décadas pasadas. Y por último, Presidenta, mi delegación también hace suyo el párrafo 35 del Informe Final donde los evaluadores externos independientes subrayaron que es difícil prever un avance de la FAO sin un acuerdo claro sobre un programa de reformas importantes y sostenidas y sobre el aumento de los recursos necesario para ello.

La FAO se encuentra en una situación financiera difícil, estoy citando de la Evaluación Externa Independiente porque sus competencias generales y su capacidad de prestar servicios se han visto gravemente menoscabadas en muchos ámbitos, como resultado del constante declive de sus recursos totales, especialmente los del Presupuesto Ordinario.

En conclusión, Presidenta, y para terminar, le diré que República Dominicana está en disposición de participar, como siempre, en los trabajos de la Comisión II para examinar el Programa de Trabajo y Presupuesto 2010-2011 y estaremos, como ya he indicado, apoyando en todas sus partes la declaración que yo mismo acabo de hacer a nombre del Grupo de los 77.

CHAIRPERSON

Thank you very much Dominican Republic. Before we go on, I would like to inform you that there are also observers in this room and we also would like to see your plates so that we all know where you are. We do not see all the plates which you are sitting behind, so please organize this for us. It is also a matter of communication.

In any case, representatives on behalf of the civil societies are observers.

We continue with New Zealand and Zimbabwe.

Neil FRASER (New Zealand)

Thank you to the Secretariat for these documents which we find both useful and at times confusing. There are considerable amount of figures to wade through. We have done our best and have come to the conclusion that we are not at all happy with the total level of budget that is proposed and the Assessed Contributions that flow. We certainly would like to see a much lesser budget, a) because we think that some savings can be achieved and b) because we also look at the capacity or the ability to pay. Listening to the discussion in this room today, it is hard to believe that we have just come through, and not everybody is through, an economic crisis that will show in financial accounts and national budgets for quite some time, certainly for many years in our case. I think the best expression was indeed mentioned by the Mexican Ambassador who used the

word "austerity" and I think that should be a watchword in our discussion. Other possible words that you could use are "stringency", "fiscal stringency", "discipline" or even "frugality" and I could even entertain you with some of the measures taken in our Ministry to reduce and save parts of our budget. I will not take up your time with those, but some of them are quite comical even.

For this reason we agree that it is a matter not just of the health of the Organization. We have got to look at the health of the Members, the financial health and the capacity in the ability to pay, and it is interesting sometimes that the strident calls for increased budget comes from those countries that may be in arrears in their payments.

So for the reasons I have mentioned, we agree with those who favour deferral of the financial health elements of the proposals, that is, the After Service Medical Care and the Special Reserve Account.

Concerning efficiency gains, we do not believe that further gains are not possible and we believe that more ambition should be built into the final figure.

Concerning the IPA, quite simply, these are joint and common benefits. There should be joint and common funding and, therefore, we believe that they should be included one hundred percent in the Assessed Contributions.

Ngoni MASOKA (Zimbabwe)

My delegation welcomes the unified presentation of the Medium-Term Plan of 2010-13 and the Programme of Work and Budget for 2010-2011.

We associate ourselves with the comments that have been made by my colleagues from other African States like Uganda, Tanzania and Cameroon who have taken the floor before me and of course, with points which have been eloquently elaborated by the G-77 as expanded by the Dominican Republic.

It is very clear and I do sympathise with the point that was made by the Director-General this morning that we should not make any substantiated target on efficient gains. In this respect my delegation supports the level of the budget as presented to this Commission and I think it is necessary that we consider approving the budget as presented to us if the IPA reforms need to be financed so that we can achieve Reform with Growth.

Antonio Duarte DE ALMEIDA PINHO (Portugal)

I want to support the intervention of the EU Presidency and others and I want to emphasise that it seems that those countries that pay about 90 percent of the Regular Budget of the Organization feel that IPA costs should be 100 percent covered by the Regular Budget. I think that we should emphasise that. I also want to say that the level of the budget, due to the very low level of inflation in Rome, Paris or elsewhere, also the current crisis, implies that the increases in the budget level should be very well explained to our tax payers. So this is the reason we feel we can do more in this regard. We also feel that the costs of the IPA, whether it is 50 percent or 100 percent, is going to be a reason to inflate the level of the budget in the next biennium. In the following biennium we are going to face a problem because we increase the level a bit now and in the following biennium, theoretically, we could have a decrease in the level. So this is the reason why we fully support that all expenses related to improve the financial situation of FAO, except those that are absolutely necessary for the next biennium, should be postponed. It is a way of not increasing so much the level in the next biennium and it is also a way of not creating problems in the following biennium because we see what is the idea about Reform with Growth that many colleagues have in the room so I think also it should be very good if we could have an adequate level of the budget for the next biennium.

CHAIRPERSON

Are there any other Speakers? Sweden asked for the floor again.

Ms Cecilia Nordin VAN GANSBERGHE (Sweden)

Sorry to come back a second time. I would just like to say that my previous statement was made on behalf of the European Community.

CHAIRPERSON

Thank you Sweden on behalf of the European Community.

Kasem PRASUTSANGCHAN (Thailand)

Considering the financial crisis, Thailand proposes that additional amount for the After Service Medical Costs and the Working Capital Fund should be postponed.

CHAIRPERSON

Are there other speakers? I recognize Australia now. You have the floor.

Ms Sara COWAN (Australia)

Australia thanks the Secretariat for the documents which are very helpful. We have two comments.

Australia considers that the full cost of the IPA Reforms should be included in the Assessed Contributions. These are fundamental to the future viability of the Organization and we believe funding them from Voluntary Contributions sends the wrong signals regarding their centrality. At the same time, Australia calls for restraint in the budget. At this time of global financial crisis, the work of the FAO needs to be taken forward in a way that shows budget discipline. The FAO is not well-served by being out of step with the fiscal restraint being shown by other international organizations, and indeed by Member Governments in their own national budgets. Australia urges all Members to consider the complex environment facing countries as they consider both their obligations and their constraints.

Australia also supports deferral of the After service Medical Costs liability and the Special Reserve Account.

CHAIRPERSON

Are there other speakers who did not raise their flag? If not, then I suggest that we conclude this round, and that we ask Mr Haight to respond on the interventions and we will clarify the answers or comments on behalf of the members. Mr Haight, may I give you the floor please.

Boyd HAIGHT (Director, Office of Programme and Budget and Evaluation)

I am going to ask you to pass the floor to Mr Juneja.

CHAIRPERSON

It is always a pleasure to give the floor to Mr Juneja so it is up to me to do it I think.

Manoj JUNEJA (Assistant Director General of the Department of Human, Financial and Physical Resources)

There has been an unprecedented amount of consultation on the elements that make up the PWB and MTP before you. In fact, it is the culmination of more than 18 months of joint effort of Management and the Membership.

We are certainly hopeful that the governance and the decision-making process that is ahead of you over the next three days will be different from the past. We have, in this document, the foundations of an evidence-based proposal. In the Conference Committee Report that the Conference adopted this morning, you have acknowledged that FAO's budget requirements should not be defined by predetermined budget figures but be assessed in the first instance against the Strategic and Functional Objectives. Certainly, agriculture has taken on a heightened relevance and meaning in 2009, particularly since the L'Aquila Declaration and, in that respect, it

is our hope that in your budget discussions, there will be due credence also given to the role of FAO in meeting the goals that you have established.

Let me pick up on the question that was initially raised by the Russian Federation about where we left off at the last Council and the developments since then, because this will also provide an opportunity to provide some clarifications with respect to the interventions made by Members.

The Friends of the Chair actually held its first Informal Meeting during the Council in early October and, indeed, the idea was to bridge gaps on six topics that were identified at that Friends of the Chair meeting during the Council Session. The Secretariat prepared papers for each of the topics that had been identified by the Friends of the Chair to facilitate an informal discussion which was held over three sessions after the Council.

The common objective of Management and the Membership in trying to bridge gaps was to encourage a technical discussion on the financial and budgetary matters that were included in the PWB so as to facilitate an informed political discussion and decision at the Conference. We recognize that the budget decision is a decision solely in the hands of the Membership and of course we recognize that it is also a political decision. Therefore, the common objective was to try to ensure that as many technical clarifications as possible could be provided before this Session of the Conference.

I would like to go through the six Information Notes to try to give what I hope is an unbiased perspective on those discussions.

The first note was on the Incremental Financial Requirements to Improve FAO's Financial Health, where it was noted that these proposals would come on top of the 7.1 percent nominal increase for the Programme of Work and the implementation of the IPA. Several views expressed at those meetings were sympathetic to the notion of deferring the decision. Management's task was essentially to summarize the minimum requirements that were previously identified by the Council. Management explained the risks involved in deferring funding for improving the financial health but, when asked and when pushed, Management did say that it was sympathetic to the rationale of deferring the incremental After service Medical Costs and/or the Special Reserve Account replenishment in favour of protecting the implementation of the programme of work and the IPA.

With regard to the second paper on Flexibility of Chapter Transfers, you will note that there is a revised proposal from Management which takes into account some of the discussions that took place in the Informal Meeting. Essentially what we are suggesting is a five percent flexibility between the chapters which align with the eleven Strategic Objectives. These compare with two chapters that previously existed for the same scope of the work. The Management is now proposing no flexibility for chapter transfers for the Functional Objectives and other chapters in the proposed budgetary appropriation.

With regard to the third topic on the Proposed Net Budgetary Appropriation, that provided an opportunity to explain how the reprogramming was done and the difficulty in making comparisons between the Programme of Work in 2008-2009 and 2010-2011 as proposed, although some aggregate data is presented. We also explained in detail, and the document summarizes, how the Split Assessment system works.

On the fourth topic concerning the IPA, there was some discussion on the rationale for the extension of the timeframe from three to five years for the implementation of the IPA. Explanations on how the budgetary estimates for IPA implementation in 2010-2011 were reduced by USD 21 million, essentially by reducing the scope of certain initiatives, by extending timelines and also by absorbing some costs within the Regular Programme, were also provided.

On the fifth topic on Cost Increases, the paper explains the methodology and we underline the consistency with the practices with other Organizations and the comparison of the results with the Rome-based Agencies. We stressed that the cost increase estimates for FAO were consistent with the cost increase estimates of WFP and IFAD. We also explained the implications of FAO's

participation in the International Civil Service Commission and the extent to which therefore many of the costs that are put forward under the cost increase estimates are outside FAO's control.

On the question of Efficiency Savings, which was the sixth topic, we recalled the positive words of the IEE with regard to efficiency savings and the caution of the Programme and Finance Committees expressed some three years ago regarding setting excessive targets. We also recalled that in 2006-2007, the Membership agreed to a target of 1 to 1.5 percent per annum for efficiency savings, which has been exceeded in the last two biennia. The paper also provided an opportunity for a discussion of the quantified USD 95 million per annum of efficiency savings when we compare the 2009 situation versus 1994. The paper also notes USD 17.4 million of savings that arise from delayering but these have been reinvested in the programmes in line with the decision that was taken by the Conference in 2008.

I wanted to comment also on the question of austerity. You will recall that the IEE has mentioned that there has been a 24 percent decline in the real budget of FAO since the mid 90s. The point I would really like to stress here is that FAO's budget was declining in real terms when stringency was less of a concern in national governments. I can appreciate that we might seem out of sync, but in trying to come up with an evidence-based PWB proposal, I hope that we can convince you of the reasons why we are seemingly out of sync. Of course, we look forward to supporting your deliberations and in particular to support you in the spirit of achieving a consensus on the budget level under whatever arrangements you deem appropriate.

CHAIRPERSON

Thank you very much, Mr Juneja, for being brief and clear on the Member's statements. It was a variety of issues but you captured them all as far as I heard, but maybe there are some additional questions or remarks. There is some time left to put them forward.

James HARVEY (United Kingdom)

I hesitated to make an intervention here partly because of course we are in agreement with the statement made by Sweden on the part of the European Union. Just as a way of illustration of what I think is really behind this in a country like the UK. Our report has just come through to me here and I feel if I may just read a couple of paragraphs. It is produced by an organization called The Tax Payers Association. It is not an official report. This is an association of tax payers in the UK. And I have been looking at our development budget. International development is a key priority for all UK political parties, and we pledged the UN target rate of .7 percent, etc, etc. Whichever parties are in power next year, the Department for International Development share of total spending is set to grow. However, the total of this, if I can find this document, is called 'Lost along the way'. The cost of the UK international development programme and if I can just read one paragraph here, it says at the end of the summary: Are you UK tax payers and those in need getting the best deal from our current approach to development? This paper provides an estimate of the cost of our current strategy, a cost that is likely to grow, plan spending increases are infringements. If it has begun to address such issues but the far more resources are channelled through the same well-tried bureaucratic systems, UK tax payers must be really assured that this approach really is delivering good value for money. And the quotes that they have there, for example, and I cannot guarantee the authenticity of these figures and this not my language since, it is not an official report. This is coming from UK tax payers. Of the 2.5 billion directed through multilateral organizations by dividend 2007-2008, 17.6 percent was lost. Their words, not mine. I don't agree with these words – "lost to the administrative non frontline cost of multilateral organizations". The point is here, if we come out of this with the settlement which looks out of line with how the rest of the UN and how the rest of the multilateral system is being seen at the moment and the number of our speakers here have said that the sort of percentage are higher and Canada, for example, quoted a number of examples there, it isn't actually going to do us any good in the long run in terms of convincing tax payers to keep the big picture in mind. So I just thought I'd provide this as a bit of background flavour to what is driving this in this time of financial austerity when tax payers start to think perhaps more selfishly than in the past. These are some of the things that are at stake here. Thank you.

CHAIRPERSON

Thank you very much for this additional remark. If there are no further speakers, I would like to suggest that we break up and go to the German Room for the first meeting of the group of Friends of the Chair so that we can have in the smaller setting, a more in-depth discussion as a first start.

We shall re-convene Commission II in the Plenary on Sunday, 22 November 2009 for the vote on the Budget Level. The Reports of Commission II will then first be adopted on Monday, 23 November 2009 in the Plenary, as Commission II, to be followed by Plenary adoption.

Thank you.

The meeting rose at 16:56 hours

La séance est levée à 16 h 56

Se levanta la sesión a las 16:56 horas

