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Продовольственная и
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Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

COUNCIL

Hundred and Thirty-fifth session

Rome, 17 – 18 November 2008

Report of the Joint Meeting of the Hundredth Session of the Programme Committee and the Hundred and Twenty-third Session of the Finance Committee

Rome, 8 October 2008

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MATTERS REQUIRING ATTENTION BY THE COUNCIL

Matters requiring discussion and/or decision

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REPORT OF THE JOINT MEETING OF THE PROGRAMME AND FINANCE COMMITTEES

Rome, 8 October 2008

INTRODUCTION

1. The Committees submit to the Council the following report of their Joint Meeting.
2. The following Members were present at the meeting:

Programme Committee

Chairperson

Mr V. Heard (United Kingdom)

Members

Mr A.R. Ayazi (Afghanistan)

Mr C.A. Amaral (Angola)

Ms M. del Carmen Squeff (Argentina)

Ms F. Bartlett (Australia)

Mr R. Mosca (Brazil)

Mr J. Melanson (Canada)

Mr A.A.M. Hosni Abdel Aziz (Egypt)

H.E. P. Bacale Mbiang (Equatorial Guinea)

Mr R. Parasuram (India)

Mr K. Shioya (Japan)

Finance Committee

Chairperson

Mr Y.A.R. Sorour (Egypt)

Members

Mr M. Médi (Cameroon)

Mr S. Skafte (Denmark)

Mr J.-J. Soula (France)

Mr E.W. Hein (Germany)

H.E. J.E. Chen Charpentier (Mexico)

Mr A.A. Khawaja (Pakistan)

H.E. E. Jaén Esquivel (Panama)

Mr R. Sabiiti (Uganda)

Mr L. Brudvig (USA)

3. The Committees appreciated the opening address from the Director-General, the full text of which may be found on FAO's Internet Web site (<http://www.fao.org/english/dg/2008/8october2008.html>).

ITEM 1: ADOPTION OF THE AGENDA¹

4. The Agenda and Addendum to the Agenda for the Joint Meeting were approved.

ITEM 2: PROGRAMME IMPLEMENTATION REPORT 2006-07²

5. The Committees recalled that the prime purpose of the Programme Implementation Report was to look back and provide essential information on the financial performance and output achievements of the Organization, both under the Regular Programme appropriation and extrabudgetary resources. Members appreciated the PIR 2006-07, recognising that this would be the penultimate document reporting under the current programme framework. The Committees found the document generally informative, and Members made various suggestions as how to improve the presentation and communication of the information.
6. Members noted the relative lack of attention afforded to the PIR by the governing bodies, which was due to a tendency to focus on *ex ante* planning processes and documentation. The Committees appreciated the opportunity to discuss the PIR in the Joint Meeting, and agreed that this should continue to take place on future implementation reports.

¹ JM 08.2/1; JM 08.2/1 Add. 1

² C 2009/8

7. The Committees noted with concern that the calculated level of under-recovery of administrative and operational support costs for extrabudgetary activities had been estimated at 37% for 2006-07. This represented a significant hidden subsidy from assessed contributions. The Committees believed that the Organization must develop extrabudgetary programme and project budgeting approaches that would improve cost recovery, taking due account of ongoing efforts to harmonise such policies and practices in the UN system.

8. With regards to the implementation of the FAO language policy, the Committees emphasised the importance of ensuring the timeliness and quality of translations of FAO documents, particularly in Arabic, for which there had been no effective improvement so far. They urged that steps be taken to improve the situation by the next meeting, as it has been recognised for French and Spanish, also in light of recommendations arising from the Root and Branch Review.

9. Looking to the future, the Committees noted that under the new results-based approach, to be adopted from 2010-11, management would need to design and implement a new monitoring and reporting system, focusing on achievement of outcomes against targets and indicators. In order to provide advice on the needs of the governing bodies for effective monitoring and oversight in this new context, the Committees requested management to present a proposal for a results-based implementation report format at a subsequent Joint Meeting. The proposal should include options for retaining some elements of information in the current section on overview of FAO resources.

10. The Committees considered that an information seminar on the new results-based approach should be considered for a future date.

11. The Committees endorsed the PIR 2006-07 for transmission to the Council.

ITEM 3. SAVINGS AND EFFICIENCIES IN GOVERNANCE

12. There was no discussion under this agenda item.

ITEM 4. ANY OTHER BUSINESS

13. There was no discussion under this agenda item.

ITEM 5: JOINT CONSULTATION ON IEE FOLLOW-UP ISSUES

14. With the benefit of oral reports by the respective Chairpersons, the Committees took note of the progress made in each Committee, in response to the specific requests for advice from the Conference Committee on IEE follow up. Hence, the Finance Committee was involved with ongoing discussions of the cost and funding modalities of the Immediate Plan of Action, while the Programme Committee had essentially addressed the summary elements of a Strategic Framework and Medium Term Plan included in the IPA and carried out a preliminary discussion on needed work on prioritisation in the next year in relation to the MTP 2010-13 and PWB 2010-11. The Committees confirmed the necessarily sensitive nature of this latter work, but agreed that this was essential and it was imperative that they devote all time necessary to its resolution. The advice provided by the Committees as the result of the above separate discussions is contained in their respective reports.

**ITEM 6: TECHNICAL COOPERATION PROGRAMME (TCP) SUPPORT TO
THE INITIATIVE ON SOARING FOOD PRICES (ISFP) AND THE
COMPREHENSIVE FRAMEWORK FOR ACTION (CFA) OF THE UN HIGH-
LEVEL TASK FORCE ON THE GLOBAL FOOD CRISIS³**

15. The Committees took note of the document prepared by the Secretariat and of the updated data on the implementation of the approved TCP projects for input supply. Such projects had been approved for 71 countries and in the 36 countries targeting the 2008 planting seasons, the distribution of agricultural inputs was completed or ongoing in 29 countries. The Committees indicated that the initiative of using the TCP within the framework of the ISFP was commendable.

16. Clarification was provided regarding the planting seasons and the budgets of these projects. The meeting was informed that while 5% of the budgets are intended for contracts with research institutions, extension services and other support to implementation and 7% are earmarked to cover the Organization's operational costs, the rest of the allocated resources are used for the sole procurement of inputs (fertilizer, seeds and animal feed).

17. In response to requests for additional information, it was agreed that a list of countries benefiting from the TCP projects for input supply would be made available on the ISFP Web page. Further information was available from the Organization's Field Programme Monitoring Information System (FPMIS) to which Permanent Representatives had access.

18. The Committees welcomed the collaboration with the other Rome-based agencies, in particular WFP, and with the World Bank in the implementation of the ISFP. They stressed the importance of further strengthening this collaboration as the ISFP moves towards identifying and implementing medium- to longer-term solutions to the soaring food prices.

19. The Committees expressed concern over the possible impact of the crisis on the international financial markets on the ability to mobilise sufficient resources to respond to the consequences of soaring food prices and on the materialisation of the pledges made in this regard during the High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy held from 3 to 5 June 2008 in Rome. They also expressed concern that the financial crisis and the related media attention have weakened attention to the impact of the food price increases, but were informed that efforts continue to mobilise financial resources towards the priorities indicated in the ISFP and CFA. The Committees appreciated that the lessons learned by FAO from the implementation of the first phase of the ISFP with TCP and donor resources are being utilised to inform decision-making by other potential donors, in particular the European Union.

20. The Committees expressed satisfaction with the progress made on the execution of the ISFP and with the implementation by the Organization of the recommendation made by the Finance Committee at its 122nd Session in May 2008 to utilise the TCP resources to provide input support to farmers before the next cropping season according to the criteria approved by the Council in 2005.

³ JM 08.2/2