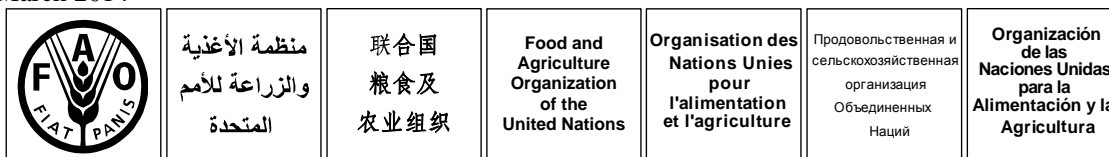


March 2014

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# Regional Conference for Europe

## TWENTY-NINTH SESSION

**Bucharest, Romania, 2 - 4 April 2014**

### Agenda Item 11

### Priorities for FAO Activities in the Region

#### Executive summary

This paper provides information on follow-up to the decisions and priorities agreed at the 28th ERC held in 2012. It brings to the attention of members major achievements as well as the lessons learnt from the implementation of the 2012-13 programme of work and budget and from the pilot Agrarian Structure Regional Initiative (ASI) delivered in 2013.

It outlines recent trends and challenges, as well as priorities emerging from country programming frameworks and elaborates on the focus areas of work for the 2014-15 biennium.

Finally it highlights some points of importance for priority setting in the next programming cycle 2016-17 as input into the on-going dialogue between FAO, its members and other partners.

#### Guidance sought

The Regional Conference plays a critical role in shaping the main challenges for the future work of FAO in the region and the commitments on the side of the members through guidance on the regional priorities of work of the Organization.

The member countries are invited to:

- 1) Provide their views on the regional results related to the Regional Priorities within the PWB 2013-14 as highlighted in paragraph 9-13;
- 2) Endorse the alignment of the Regional Priorities with the reviewed strategic framework as outlined in Table 1;
- 3) Review and endorse the scope of the Regional Initiatives “Empowering Small Holders and Family Farms” and “Agri-Food Trade and Regional Integration” as outlined in paragraph 23-36;
- 4) Review the scenarios and emerging issues for consideration in further development as outlined in paragraph 44-47.

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## I. Introduction

1. The 38th session of the FAO Conference in June 2013 approved the Reviewed Strategic Framework 2010-19, the Director-General's Medium-Term Plan 2014-17, and the Programme of Work and Budget 2014-15 (MTP/PWB)<sup>1</sup>. The Strategic Framework includes FAO's Vision, the revised Global Goals, the five new Strategic Objectives, as well as a sixth objective on technical quality, knowledge and services and the cross-cutting themes of gender and governance (see Annex 1 for the main components of FAO's Results Framework). The MTP/PWB sets out the results framework with outcomes, outputs and measurable indicators of achievement. The FAO Conference emphasized that the five Strategic Objectives represented those areas of work on which FAO will focus its efforts in support of Member Nations and welcomed their cross-cutting nature, which will enable the Organization to work in a multi-disciplinary and integrated manner.<sup>2</sup>

2. Priority areas for FAO's work in the European Region (REU) have been informed by three major strategy streams:

- 1) FAO's revised Strategic Framework and new Medium-Term Plan which contain the core elements of FAO's results framework for organizing the response to priorities in the Region.
- 2) FAO regional priorities for the REU region as endorsed by the 28th Session of ERC, which put into sharp focus the region-specific needs in the context of FAO's Strategic Objectives.
- 3) FAO's Country Programming Frameworks, which inform the identification of Regional Priorities and constitute an important and dynamic pillar of the Organization's delivery mechanism.

3. In 2013 the Organization piloted a set of six Regional Initiatives (one of which in REU - the Agrarian Structure Initiative (ASI)) as delivery mechanism to enhance the focus and impact of its work, particularly at country level. Taking account of the pilot experience, additional Regional Initiatives are being put in place to focus delivery of results in 2014-15. These initiatives are intended to address key regional and country priority problems by delivery of relevant products and services at regional and country level, contributing to the achievement of agreed outputs and outcomes of the MTP/PWB.

4. FAO's results framework is underpinned by a new corporate monitoring and evaluation framework with a distinct set of indicators at three interlinked levels of results – Strategic Objectives, Organizational Outcomes and Outputs<sup>3</sup>. This monitoring and evaluation framework will strengthen FAO's corporate reporting from the 2014-15 biennium onwards. While the new monitoring and evaluation framework cannot be directly applied in the review of achievements for the 2012-13 biennium (see Section II), it will inform the shaping of priority areas of FAO's work in the Region.

5. This report is divided into four sections:

- Section II outlines how priorities and items requiring follow-up emanating from previous Regional Conference have been addressed, bringing to the attention of the Members major achievements and aspects requiring further consideration. The section also draws lessons from the implementation of the Regional Initiative in 2013 and illustrates how these inform the new ways of working.
- Section III reviews major recent developments and challenges as well as national priorities as reflected in country programming frameworks (CPFs) that have a bearing on FAO activities in the Region. Section IV introduces what FAO will focus on in the Region in 2014-15 and these focus areas are situated within FAO's results framework.
- Section V highlights some points that are likely to have a bearing on the priority setting in the next programming cycle 2016-17, thus informing the on-going dialogue between FAO, its

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<sup>1</sup> C 2013/7 and C 2013/3

<sup>2</sup> C 2013/REP paragraph 96

<sup>3</sup> CL 148/3 Adjustments to the PWB 2014-15, paragraphs 40-70 and Annex 5 Rev. 1 Results Framework

Members, and other partners with regard to the further development of the programme in the Region.

## **II. Follow-up to the 2012 Regional Conference, achievements and lessons learned**

6. The 2012 European Regional Conference (ERC) endorsed the following priorities<sup>4</sup> for the Region:

- 1 - Strengthening food security and nutrition;
- 2 - Policy advice to governments in support of sustainable intensification for small farms;
- 3 - Natural resource management, including climate change mitigation and adaptation;
- 4 - Control of animal, plant and food borne pests and diseases;
- 5 - Policy and institutional support for entry of Member States into regional and global trade, standard-setting and organizations of regional economic cooperation;
- 6 - Supporting and building global and regional public goods through applied research in the areas of food, agriculture, fisheries and forestry.

7. In addition, the 2012 ERC emphasised region-specific needs related to small holder agriculture while managing natural resources in a more sustainable manner, including reducing post-harvest waste. The Conference highlighted that more attention should be given to fishery and forestry issues. Moreover, the region should work on land degradation and improving land use, as well as addressing nutrition and climate change issues, and provide support for the mainstreaming of gender in all activities.

8. The ERC requested that FAO provide global public goods and policy advice and underlined the importance of the preparation Country Programming Frameworks (CPFs) as a tool for strategic delivery of assistance. Close collaboration with the UNDAF was considered essential as was the enhancement of partnerships with the public and private sectors.

9. The total programme envelope<sup>5</sup> for 2012-13 for Europe and Central Asia was US\$ 52.06 million including the projection of US\$ 9.7 million of extra budgetary funds<sup>6</sup>. The actual total amount delivered in 2012/13 was US\$ 23.9 million of extra budgetary funds. This demonstrates an increase in delivery compared to the biennium 2010/11 by 49 percent.

10. The main focus of work under both the assessed and voluntary contributions was driven by the country programme frameworks established in the focus countries of the Region.

11. Major achievements with reference to the approved regional priorities were:

- A national Food and Nutrition Action plan on an inter-sectorial basis has been developed as part of a UN Joint Programme with UNICEF and WHO related to reducing malnutrition among Children in Albania. (RP1)
- A more effective food safety system and higher phytosanitary standards in selected countries through capacity development for government officials and private sector partners on the principles and procedures. Specific examples include the support FAO has provided to Kyrgyzstan in the preparation of an Agriculture Development Strategy (2013-2020). (RP2)
- Establishment of an animal identification system in Armenia (RP2)

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<sup>4</sup> Focus countries for the Region based on the 28th ERC are: Albania, Armenia, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Georgia, Kosovo ( support within UNSC Resolution 1244), Kyrgyzstan, Moldova, Montenegro, Tajikistan, Ukraine, Uzbekistan and in addition Belarus and Turkmenistan

<sup>5</sup> [http://www.fao.org/fileadmin/user\\_upload/Europe/documents/ECA/ECA37/ECA37\\_en/ECA\\_37\\_12\\_5\\_en.pdf](http://www.fao.org/fileadmin/user_upload/Europe/documents/ECA/ECA37/ECA37_en/ECA_37_12_5_en.pdf)

<sup>6</sup> CL143/3 Annex IV for net appropriation including cost increases and distribution of efficiency gains and savings; C2011/3 Annex VII for extra-budgetary resource

- A comprehensive study on farm-level impacts of climate change in 19 countries of the Region; resource mobilization for integrated watershed management by formulating Global Environment Fund (GEF)-funded projects for Kazakhstan and Turkey was completed. (RP3)
- Awareness regarding aquaculture as an alternative income-generating source through increased interest from member countries was achieved. The capacity of national governments in the formulation of forestry policies has been strengthened through direct support in Kosovo, the Russian Federation and Serbia. (RP3)
- Increased capacity development regarding land tenure and the promotion of the voluntary guidelines has been ongoing in the Region, including land consolidation efforts in cooperation with the Netherlands and Spain. (RP3)
- A brucellosis strategy has been prepared and implemented in Tajikistan and used as a basis for a larger World Bank initiative. (RP4)
- Pesticide and obsolete pesticide management capacity strengthening was the focus of a Turkey and EU-funded project. Efforts have also been made to generate resources from GEF to address important issues in pesticide management. (RP4)
- Four selected countries were trained in microbiological food safety risk assessment in collaboration with the Hungarian Food Chain Safety Office. (RP4).
- The Russian Federation received capacity-building assistance in preparation for its World Trade Organization accession with focus on SPS and risk analysis. In 2012-13 over 200 food safety authority staff received training on Codex, resulting in increased knowledge on Codex structure, procedures and current work. (RP5)
- A specific achievement was the preparation of a REU Statistical Yearbook for the first time.. (RP6).
- Specific regional studies related to cooperatives, agri-food systems for better nutrition and reduced food waste and losses as well as agricultural innovation systems were prepared (RP6).

12. Important lessons learned from the implementation of the PWB in 2012-13 were that the work should be further concentrated on the identified focus countries as well as emphasizing the engagement from the side of beneficiaries and partners in programme implementation. Territorial development approaches should be further integrated in the future work. Further efforts should also be made to promote improved crop and pest management techniques. The important role of FAO as neutral forum for high level policy discussions was highlighted.

13. A key deliverable in 2013 was the implementation of the Initiative on Agrarian Structures (ASI)<sup>7</sup>. The main scope of this 2013 pilot initiative was to build a framework for policy assistance in the Region to increase the inclusiveness of policies dealing with agrarian structures, and promote more inclusive policies connected with international agreements in the region, including WTO and the Eurasian Economic Commission. (Key results in Annex 2 of the Report)

### **III. Trends and Challenges Informing Priorities for 2014-15**

14. This section provides an insight into the rationale driving the identification of priority areas of work for the current biennium based on the lessons learnt outlined in section II and the Country Priority Frameworks for the Region and their alignment with the Strategic Framework. The basis for these was the extensive consultation<sup>8</sup> process with members of the Region.

15. One of the main areas of concern for the Region is the food insecurity and malnutrition situation. It still remains a priority issue for most of the countries of the Caucasus and Central Asia. Tajikistan and Moldova are countries, albeit at differing degrees, where poverty and malnutrition prevail.

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<sup>7</sup> See more details regarding the project and implementation of the ASI under <http://www.fao.org/europe/agrarian-structures-initiative/en/>

<sup>8</sup> Informal Consultations for Central Asia countries were held in January 2013. This was followed by an Informal Consultation in May 2013 in Budapest, Hungary for the entire region and an Informal Consultation with the members in December 2013 in Chisinau, Moldova as well meetings of the technical commissions in the Region.

Kyrgyzstan, Tajikistan and Uzbekistan are the three countries where prevalence of undernourishment is still higher than 5 percent<sup>9</sup>.

16. Linked to low income and poverty is the fragmentation of production resources and the low inclusiveness of small holders into the food supply chain. Small holders have limited access to services and they will need an increasing attention of government services. Access to advisory services and investment for smallholder farmers remains a problem and further attention to the development of these services is needed as well as supporting governments in improving the enabling environment for agricultural service cooperatives.

17. Furthermore, the economic integration of countries in the Region will continue. The process of EU integration in South Eastern Europe will result in a further alignment of the countries with the European Union. An integration process may also emerge with the development of the Eurasian Economic Commission (Russia, Belarus and Kazakhstan) in the CIS Region. The process may result in important changes in food safety, sanitary and phytosanitary standards, as well as in the transformation of agriculture support measures. The emergence of the CIS region as major grain exporter since 2000 has increased the importance of international standards requirements regarding trade in the region..

18. Dietary risks are the leading cause of death and disease in the Europe and Central Asian region. The highest social costs of malnutrition in the region are borne by the middle income countries, with low income countries not far behind. As the populations of the low income countries begin to increasingly suffer from food-associated, non-communicable diseases, the social costs of malnutrition in these countries will inevitably rise.

19. Another key concern is the lack of effective use of water resources and coping with drought in the Central Asia Subregion as well as recurrent droughts and floods in other parts of the region, and the consequent need to increase disaster preparedness in these countries.

#### **Country priorities based on the Country Programming Frameworks ( CPFs)**

20. The basis for a demand driven support to countries is the development of CPFs. They are also a tool to provide coherent support to the beneficiary countries as well as integrating country demands into the planning and preparation of the Strategic Framework. To date, out of the 12 REU focus countries, CPFs covering 2013-15 have been completed in five countries and work is well advanced in the remaining seven countries<sup>10</sup>. The CPFs provide a solid basis for identifying country priorities for FAO collaboration, in line with the governments' strategic plans and the broader UNDAFs. The updating of the CPFs in the forthcoming biennium will continue to take account of the close linkage to the UNDAFs as UNDAFs across the Region are rolled out during 2014-15.

21. The analysis of the CPFs show that the country priorities are already closely aligned to the established regional priorities. Despite the heterogeneity of the region, certain commonalities exist, such as the focus towards supporting an increased and more efficient sustainable agriculture production; creating an enabling environment for small holders, addressing animal and plant health issues including food safety standards; providing enhanced livelihoods for small scale farmers; improving pasture management and fostering increased integration into regional economic organizations including issues of trade and facilitating access to WTO. Strong demand emerges from the countries of Central Asia for support to food security as well improved drought mitigation and water management.

22. The mapping of these priority areas stemming from the CPFs, confirm the alignment of the CPF priorities with the new Strategic Objectives and the identified regional priorities (RP) for the region. Some of the RPs were adjusted in order to increase the focus of work for the Region. Table 1 shows how FAO's new Strategic Objectives relate to the adjusted regional priorities and web Annex 3

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<sup>9</sup> More details in the document ERC/14/2 – State of food and agriculture in the Region including future prospects and emerging issues.

<sup>10</sup> See further details regarding the completion of the Country Programming Frameworks in the document ERC/14/6 – Decentralization and Decentralized Office Network

presents the results to be achieved in the region under each Strategic Objective in the 2014-15 biennium. The next section elaborates on the focus areas for implementation during the biennium.

**Table 1: Alignment of Corporate Strategic Objectives with the REU – Regional Priorities**

<b>Corporate Strategic Objectives</b>	<b>REU - Regional Priorities</b>
<b>SO 1</b> - Contribute to the eradication of hunger, food insecurity and malnutrition	RP 1 - Strengthening food security and nutrition
<b>SO 2</b> - Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner	RP 2 - Policy advice to governments in support of sustainable intensification for small holders RP 3 - Natural resource management, including climate change mitigation and adaptation RP 4 - Control of animal disease, plant pests and food safety hazards
<b>SO 3</b> - Reduce rural poverty	RP 2 - Policy advice to governments in support of sustainable intensification for small holders RP 3 - Natural resource management, including climate change mitigation and adaptation
<b>SO4</b> - Enable more inclusive and efficient agricultural and food systems at local, national and international levels	RP 2 - Policy advice to governments in support of sustainable intensification for small farms RP 4 - Control of animal disease, plant pests and food safety hazards RP 5 - Policy and institutional support for entry of Member States into regional and global trade, standard-setting and organizations of regional economic cooperation
<b>SO5</b> - Increase the resilience of livelihoods to threats and crises	RP 3 - Natural resource management, including climate change mitigation and adaptation RP 4 - Control of animal disease, plant pests and food safety hazards

#### IV. Focus Areas of Work for the 2014-15 biennium

23. The priorities identified at the country, sub-regional and regional levels are the basis for the formulation of the new Strategic Objectives and Organizational Outcomes in the renewed Strategic Framework. These priorities also led the formulation of products and services in the region for the PWB 2014-15. The delivery of outputs of the PWB/MTP is organized through time-bound corporate initiatives<sup>11</sup> or through on-going Corporate Technical Activities (e.g. statistics, technical committees etc.)

24. With reference to the lessons learned and the sub-regional and regional consultations, FAO will focus its work in the REU region particularly on a) support to small-holders and family farms, b) the facilitation of trade and institutional integration for the region, c), animal and plant health and d) increased sustainable natural resource management. The issue of food security in Central Asia will be an integral part of the two identified Regional Initiatives “Empowering Small Holder and Family Farms” and “Agri-Food Trade and Regional Integration”.

25. The total budget for the implementation of the 2014-15 programme of work in the REU region amounts to US\$50.37<sup>12</sup> million of assessed contribution and it is estimated that around US\$ 40.4 million of voluntary contributions (see Annex 3) will need to be mobilized to achieve the results outlined.<sup>13</sup> The draft resource mobilization strategy for the region, developed in 2013, will be finalized as the basis for resource mobilization efforts for the region. The focus of the strategy is to expand partnerships with existing resource partners such as Turkey, and to explore new partnerships with potential emerging donors such as Azerbaijan, Kazakhstan and the Russian Federation.

26. As mentioned above, two Regional Initiatives have been identified for the Region:

##### **Regional Initiative - Empowering Small Holders and Family Farms for improved Rural Livelihoods and Poverty Reduction (ESAFF)**

27. The REU Region is fundamentally a region of smallholders as a result of the land reforms of the 1990s in parts of the region, while some countries maintained their farm structures or continue to have a dual farm structure, i.e. the region depicts few large corporate farms and many economically not viable smallholders. Nevertheless, smallholders, can achieve high levels of productivity through the sustainable intensification of production, better organization and integration into agrifood chains. They however require support through well-functioning public and non services. These are usually provided by a combination of state and private sector initiatives. In the focus countries of the Region, public services for small holders are underdeveloped and thus prevent economic development. Furthermore, the local organization and the representation of farmers’ and rural households’ interests is weak.

28. Family farming even on a small scale (including subsistence farming and household plots), can nevertheless be a model for achieving sustainable growth, food security and mitigation of rural poverty. In this context the ESAFF will focus on the sustainable management of agricultural land and water resources, the facilitation of sustainable intensification of small holders production strengthening organizations of small producers and family farms, enhancing rural services, and increasing the resilience of the rural population and their empowerment. This includes the

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<sup>11</sup> Initiatives are a way to deliver clusters of products/services from across the SO results framework (Outputs, Outcomes and SOs) in an integrated and coordinated manner, involving contributions from units across the Organization (headquarters, regional, subregional and country offices), structured around significant policy processes, CPFs, global public goods and/or thematic areas.

<sup>12</sup> In the US\$50.37 million as outlined in Annex 3 of the document there are also the Liaison Offices for Geneva and Brussels included as well as the Shared Service Centre located in Budapest.

<sup>13</sup> The total amount of funds from the assessed contribution used for the implementation from the Regional budget for the Regional Initiative Empowering Small Holders (ESAFF) are US\$2.29 million and for the Regional Initiative on Agri-Food Trade and Regional Integration are US\$0.85 million as a start. Additional resources will be provided from extra-budgetary funds, available or to be mobilized

development of capacities of stakeholders in land tenure, with particular emphasis on the Voluntary Guidelines. The implementation of ESAFF Initiative will focus on both the policy, institutional and government level as well as on the farm and community level.

29. The ESAFF will focus on the following areas:

<b>Priority areas of the Regional Initiative Small Holder and Family Farm Initiative</b>	
<b>(i) Policy, institution and governance level:</b>	<b>(ii) Farm and community level</b>
Support the formulation of policies and strategies, legal and institutional frameworks	Supporting smallholder and family farms in the adoption of innovative sustainable production technologies
Capacity development of institutions, organizations and administrative staff, including advisory, extension and enforcement services	Fostering processes that address land tenure (e.g. administration) and land fragmentation issues (land consolidation)
Preparation and dissemination of information, advisory materials and learning tools	Strengthening capacity of rural institutions, including producers' organizations and fostering partnerships of rural stakeholders
Enhancing local governance through participatory approaches	Providing support to adding value and income diversification
Ensuring inclusiveness regarding gender and vulnerable groups in strategies, policies and implementation	Support to increase smallholders access to markets, rural finance and integration into the value chains, including fostering capacities to comply with national, regional and international standards

30. The initiative will benefit and is linked to on-going policy processes such as the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD), the post 2015 Millennium Development Goal process, the global initiative related to the UN International Year of Family Farming and the implementation of the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests.

31. The main focus countries for this initiative are: Albania, Armenia, Georgia, Kyrgyzstan, Moldova, FYROM and Tajikistan.

### **Regional Initiative - Agri-Food Trade and Regional Integration.**

32. This Regional Initiative will build upon the successful implementation of the Agrarian Structures Initiative (ASI) for the REU region during 2013. It will focus on strengthening national and regional capacities in the REU region to deal effectively with the challenges posed by greater trade integration by developing better evidence on trade implications, improving the capacity of the countries to use this evidence, facilitating neutral fora and dialogues on trade agreements and supporting design and implementation of appropriate trade policy at country level. It will also support the EU accession and association process, as relevant to selected Balkan and Eastern Neighbourhood Policy partner countries at national level.

33. The work will be targeted towards countries that have demonstrated an interest in receiving FAO's assistance in trade capacity development and economic integration.. Moreover, the Initiative will collaborate with the EU and relevant governments of the Region, which recently joined WTO or which are in the process of accession to WTO..

34. The initiative aims to achieve results regarding (i) increasing the capacity of national institutions to engage in implementation of regional agreements to enhance participation in international agri-food trade, and (ii) enhancing the benefit of trade policies through appropriate accompanying measures and improved public services.



35. The main area of work of the RI will be related to enhancing the capacity of REU countries to engage in formulating and implementing international and regional policies, regulations and other frameworks, which promote fair and safe trade and enhance global and regional market opportunities and participation.

36. Examples of products and services to be delivered:

- Analysis and evidence building on the implications of WTO accession on agricultural trade and agricultural policy in WTO members in selected countries
- Medium term wheat production outlook for six leading wheat producing countries in the CIS
- Policy dialogue with selected countries including Sanitary and Phytosanitary Measures (SPS), food safety and agriculture support measures.
- Capacities developed for transition to more inclusive, efficient and sustainable national agricultural policy support services
- Capacities developed to continue market reforms and build necessary modern agricultural policy institutions

### **Other Major Areas of Work**

#### **Control of Animal disease, plant pests and food safety hazards**

37. Results to be achieved on animal and plant health in the forthcoming biennium include improved control over the still-widespread diseases in the Region (brucellosis, PPR, foot and mouth disease etc.). Related drivers are land-use, cross-border trade in agri-food products and live animals, altered human/animal interfaces (including wildlife) and climate change.

38. Countries will be supported on (a) strengthening the implementation capacities of public service organizations and inter-organizational mechanisms related to animal and plant diseases, (b) an improved risk-based control of food safety hazards, and (c) strengthening the capacities of educational institutions to foster technically competent professionals.

39. It is particularly important to foster multi-sectoral partnerships in hazard/crisis-prone areas and to implement prevention and mitigation practices at the local level. This includes strengthening the capacity of and provide technical assistance to beneficiaries in the prevention and mitigation of plant and animal pest and diseases and food contamination with food safety hazards.

40. Examples of work planned for the forthcoming biennium include:

- Provision of policy advice and technical assistance to increase preparedness and response capacities for food safety emergencies, emergency assistance to control African Swine fever e.g. in Belarus, as well as training in Disaster Risk Reduction Management and resilience coordination.
- Harmonization of risk assessments in Eastern Europe and Central Asia as well as technical capacity support to national institutions to conduct vulnerability and resilience analysis.
- A regional workshop on the review of the draft international standards for phytosanitary measures (ISPMs) in cooperation with IPPC.

#### **Natural resource management, including climate change mitigation and adaptation**

41. A main focus of the work surrounding natural resource management including climate change mitigation and adaptation, is to further support stakeholders in the identification, assessment and dissemination of innovative and sustainable production practices. Emphasis will be given to improved crop water and land management technologies as well as strengthening the network for the dissemination of improved crop, land and water management practices, as well as the development of environmental friendly, sustainable, safe and economically viable management practices and regulations.

42. Focus will be on the facilitation of stakeholder engagement for improved planning and management of natural resources at the ecosystem level, and for improved monitoring of progress to

document their effectiveness and up-scaling potential. This will be particularly the provision of capacity development support at regional and national levels on integrated and participatory watershed management. In addition, support will be provided for the development of landscape based, multi-focal area forest management and landscape restoration projects to improve the forestry sector baseline.

43. Examples of the main deliverables will be:

- Improved water, crop and land management technologies and the adaptation of existing guidelines regarding methods and tools for assessing and monitoring environmental practices;
- Promotion of integrated natural resource management ( including Conservation Agriculture), climate change mitigation and adaptation and support to the establishment and strengthening of the capacity of animal breeding stations;
- Support to the Aral Sea basin programme for enhancing trans-boundary water cooperation, capacity building for national plant protection organizations (NPPO) and guidelines and tools in support of biosafety regulation frameworks as well as capacity development for IPPC, Rotterdam Convention, IPGRFA and UPOV;
- Reduced land degradation in Central Asia countries including increased sustainability through adoption and promotion of conservation agriculture tools;
- Support to the identification and disposal of obsolete pesticides in various countries

## **V. Scenarios and emerging issues for consideration in further programme development**

44. Economic development in the Region over the past decades has been positive overall and is expected to further continue. Numerous countries have had remarkable increases in income. The number of Low Food Income Deficit countries has further decreased and the number of middle income countries and high income countries has increased. This will have an influence on the work priorities as well as on the demand from countries regarding the support expected from FAO, resulting in a stronger capacity of countries to address development needs.

45. International standards are critical aspects of WTO membership, as well as for membership of other regional trade bodies and the Customs Union of Russia, Kazakhstan and Belarus. All the CIS countries face challenges in aligning their policies with WTO requirements, as well as organizing the infrastructure for ensuring safe and high-quality food for domestic and export needs. Governments in the region consider their accession to the WTO as a major precondition for accelerating economic growth and attracting investments. The emergence of the CIS region on world markets and the intense interest in international standards raises key issues for the future: How will the emergence of the region as a net exporter of grain affect food security in the region? These issues should form an important part of the future work of FAO in the region.

46. The process of implementation of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine will also have an influence on capacity development in these countries in relation to agriculture and rural development governance. The instrument of ENPARD will significantly increase the capacity of the countries and therefore, technical assistance requirements for the countries will shift and change. In addition to the ENPARD, there would be a further integration of the countries through Association Agreements (AA). Georgia and Moldova signed such AAs in November 2013 and other countries could follow.

47. Climate Change and land degradation in the Region: Climate, land-use and biodiversity changes need to be considered together. The main pressures driving loss of biodiversity include land-use change (e.g. due to agriculture), the expansion of commercial forestry, infrastructure development, human encroachment, and fragmentation of natural habitats, as well as pollution and climate change. Climate change is projected to become the fastest growing driver of biodiversity loss by 2050, followed by commercial forestry and, to a lesser extent, bioenergy croplands. Declining biodiversity threatens human welfare, especially of the rural poor and indigenous communities, whose livelihoods

often depend directly on biodiversity and ecosystem services. The loss of biodiversity and climate change impacts has to be also assessed against a possible introduction of new biotechnologies in some countries in the Region.

**Annex 1****Annex 1: FAO Results Framework – Main components (see p. 12 in C2013/3)****FAOs vision**

A world free of hunger and malnutrition where food and agriculture contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.

**The three Global Goals of Members:**

- 1) Eradication of hunger, food insecurity and malnutrition, progressively ensuring a world in which people always have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- 2) Elimination of poverty and the driving forward of economic and social progress for all, with increased food production, enhanced rural development and sustainable livelihoods; and
- 3) Sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources for the benefit of present and future generations.

**Strategic Objectives**

- 1) Contribute to the eradication of hunger, food insecurity and malnutrition
- 2) Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner
- 3) Reduce rural poverty
- 4) Enable more inclusive and efficient agricultural and food systems at local, national and international levels
- 5) Increase the resilience of livelihoods to threats and crises

**Additional objective**

Technical quality, knowledge and services

**Cross-cutting themes**

- Gender
- Governance

**Core Functions**

- 6) Facilitate and support countries in the development and implementation of normative and standard-setting instruments, such as international agreements, codes of conduct, technical standards and others;
- 7) Assemble, analyse, monitor and improve access to data and information, in areas related to FAO's mandate
- 8) Facilitate, promote and support policy dialogue at global, regional and country levels;
- 9) Advise and support capacity development at country and regional level to prepare, implement, monitor and evaluate evidence-based policies, investments and programmes;
- 10) Advise and support activities that assemble, disseminate and improve the uptake of knowledge, technologies and good practices in the areas of FAO's mandate;
- 11) Facilitate partnerships for food security and nutrition, agriculture and rural development, between governments, development partners, civil society and the private sector;
- 12) Advocate and communicate at national, regional and global levels, in areas of FAO's mandate.

**Functional Objectives**

- Outreach
- Information Technology
- FAO Governance, oversight and direction
- Efficient and effective administration

**Annex 2****Summary of the Results of the Agrarian Structure Initiative**

The main scope of this 2013 pilot initiative aimed at building a framework for policy assistance in the European and Central Asian Region for (1) increasing the inclusiveness of policies dealing with agrarian structures, and (2) promoting more inclusive policies connected with international agreements in the region, including WTO and the Eurasian Economic Commission. “Agrarian structures” are the institutions of food and agriculture systems (including forestry and fisheries) from farms to final markets, including intermediary processors. “Inclusiveness” concerns how the structures are connected to markets, the source of rural livelihoods, and “efficiency” refers to their competitiveness. It is the intention of the Initiative to promote viable policy options in the region that can be in the interest of the countries and can be channelled into future technical assistance programmes.

- Facilitated participatory redesign of extension policies in Kazakhstan to assist smallholders through a national forum on agricultural extension and test pilots in how extension policies can be redesigned
- Updated estimates of food losses and waste for Europe and Central Asia and produce policy recommendations for addressing the phenomenon in Europe and Central Asia
- Policy paper prepared on why service cooperatives are underdeveloped in Eastern Europe, what lessons the EU experience can offer them and what are the alternatives for integrating small farms into value chains.
- Policy advice to the Eurasian Economic Commission on the creation of a single economic space, food security and a harmonized agricultural support system within the Customs Union of Russia, Kazakhstan and Belarus.
- Establishment of a meat and cheese producer and marketing group in Gorno-Badakshan, Tajikistan, and link this group to urban markets to raise producer incomes.
- Three workshops on “WTO Accession and Agricultural Policies” in the CIS region: Two were held in the Russian Federation, and were devoted to training representatives from oblast-level Departments of Agriculture on how to align agricultural support and food safety policies with WTO requirements; one was held in Kiev, Ukraine, and was devoted to reviewing the experience of both Western and CIS countries in aligning agricultural policies to WTO requirements after accession. FAO also developed an e-learning course on WTO Accession and Implications for Agriculture in CIS countries, including a module on SPS Agreement.

The Agrarian Structures Initiative showed what could be accomplished by the Organization through a focused, competitively selected initiative under the leadership of the head of SO4 and the Regional Office focal point, both with many years of experience and expertise in the region. Though it is not possible to expect that such a relatively small and predominantly policy-related initiative would have an immediate growth impact, the Initiative got a notable progress in a number of areas of institutional development in transitional countries – from the mechanisms for connecting small holders to the markets and extension service pattern to facilitation tools for adjusting national stakeholders to the WTO. The continuation of the Initiative would scale up the achieved results. The Initiative has received positive press coverage in many of the countries of the region where it was implemented, including Kazakhstan, Tajikistan and Russia and internationally. Letters of appreciation were received from the Deputy Minister of Agriculture of Kazakhstan, Minister of Agriculture of Tajikistan and Vice Minister of Agriculture of the Russian Federation.

### Annex 3 - 2014-15 Budget by Strategic/Functional Objective and Region (in USD Thousands)

Chapter	Headquarters/ Global		Africa		Asia and Pacific		Europe and Central Asia		Latin America and the Caribbean		Near East		Total		
	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Total
1	42,663	32,059	19,586	33,543	7,054	32,470	5,358	3,350	11,401	45,843	8,555	5,494	94,617	152,759	247,376
2	103,948	86,857	39,139	52,037	18,546	66,080	6,010	8,107	19,929	31,679	11,109	26,399	198,681	271,160	469,841
3	39,730	10,332	7,107	17,317	5,186	11,796	2,926	5,229	5,426	9,415	1,768	362	62,142	54,450	116,592
4	78,849	52,195	15,571	29,524	8,055	21,490	2,174	1,954	5,917	25,490	4,650	193	115,217	130,846	246,063
5	20,330	38,540	6,785	378,015	3,583	240,756	1,309	19,133	3,237	63,001	2,662	55,842	37,905	795,287	833,192
6	52,284	92	631		403		421		591		416		54,746	92	54,838
7 - TCP	24,771		43,698		26,390		11,159		19,767		8,936		134,721		134,721
8	52,734	1,039	725		3,277	20	5,928	385	1,101		947		64,712	1,445	66,157
9	32,265	4	946		387		526		766		610		35,501	4	35,505
10	64,194	5,744	3,357	8,222	3,839	2,419	2,010	1,689	2,467	537	4,346	5,250	80,213	23,861	104,074
11	52,531	4,675	3,795	638	6,212	18	12,528	647	4,793	1,301	1,833		81,691	7,278	88,969
12 - Cont	600		-		-		-		-		-		600		600
13 - CapEx	21,886		-		-		-		-		-		21,886		21,886
14 - Security	23,017	181	-		-		-		-		-		23,017	181	23,198
<b>Total</b>	<b>609,802</b>	<b>231,719</b>	<b>141,341</b>	<b>519,295</b>	<b>82,931</b>	<b>375,049</b>	<b>50,347</b>	<b>40,495</b>	<b>75,394</b>	<b>177,265</b>	<b>45,831</b>	<b>93,539</b>	<b>1,005,648</b>	<b>1,437,363</b>	<b>2,443,012</b>

Explanatory notes:

Net Approp = Net Appropriation budget distribution as approved by FAO Council in December 2013 (CL 148/3, Annex 3)

Extra-budgetary = Estimated requirements of voluntary contributions as presented to FAO Conference (C 2013/3, Annex III)

