



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

Thirty-first Regional Conference for Latin America and the Caribbean

Panama City, Panama, 26 to 30 April 2010

Matters arising from the World Summit on Food Security and the 36th Session of the
FAO Conference, notably implementation of the Immediate Plan of Action (IPA),
including the Decentralized Offices Network

A. Introduction

1. The purpose of this document is to inform the FAO Regional Conferences about the outcomes of the World Summit on Food Security, and of the Thirty-sixth Session of the FAO Conference, held in Rome on 16-18 November and 18-23 November 2009 respectively. The document also provides information on the implementation of the IPA and its impact on the decentralized offices (DOs) network.

B. World Summit On Food Security

(Rome, 16-18 November, 2009)

2. The Summit was attended by Heads of State and Government and Ministers of 182 countries and the European Community. As a means to sustainably eradicate hunger from the world at the earliest possible date, Summit participants unanimously adopted a Declaration whereby they committed themselves to reinforce efforts to:
- a. Ensure urgent national, regional and global action to fully realize the target of Millennium Development Goal 1 and the 1996 World Food Summit goal, namely to reduce respectively the proportion and the number of people who suffer from hunger and malnutrition by half by 2015.
 - b. Join efforts and expertise to work in the Global Partnership for Agriculture, Food Security and Nutrition – building on existing structures to enhance governance and cooperation – promote better coordination at global, regional and national levels and ensure that national and regional interests are duly voiced and considered. They therefore committed to fully implement the reform of the CFS, which, as the foremost inclusive

international and intergovernmental platform for a broad range of committed stakeholders to work together, is a central component of the efforts to further advance the Global Partnership for Agriculture, Food Security and Nutrition.

- c. Reverse the decline in domestic and international funding for agriculture, food security and rural development in developing countries, and promote new investment to increase sustainable agricultural production and productivity, reduce poverty and work towards achieving food security and access to food for all.
 - d. Proactively face the challenges of climate change to food security and the need for adaptation of, and mitigation in, agriculture, and increase the resilience of agricultural producers to climate change, with particular attention to small agricultural producers and vulnerable populations.
3. To achieve these strategic objectives, Summit participants endeavoured to base their commitments and actions on the following Five Rome Principles for Sustainable Global Food Security:

Principle 1: Invest in country-owned plans, aimed at channelling resources to well designed and results-based programmes and partnerships.

Principle 2: Foster strategic coordination at national, regional and global level to improve governance, promote better allocation of resources, avoid duplication of efforts and identify response-gaps.

Principle 3: Strive for a comprehensive twin-track approach to food security that consists of: direct action to immediately tackle hunger for the most vulnerable; and medium and long-term sustainable agricultural, food security, nutrition and rural development programmes to eliminate the root causes of hunger and poverty, including through the progressive realization of the right to adequate food.

Principle 4: Ensure a strong role for the multilateral system by sustained improvements in efficiency, responsiveness, coordination and effectiveness of multilateral institutions.

Principle 5: Ensure sustained and substantial commitment by all partners to investment in agriculture and food security and nutrition, with provision of necessary resources in a timely and reliable fashion, aimed at multi-year plans and programmes.

The declaration of the Summit made specific reference to the needed support to regional development frameworks such as the Comprehensive African Agriculture Development Programme (CAADP) under NEPAD, the “Latin America and the Caribbean Without Hunger 2025” initiative, the “ASEAN Integrated Food Security Framework” and the “Riyadh Declaration to Enhance Arab Cooperation to Face World Food Crises”.

C. The Thirty-sixth Session of the FAO Conference

(Rome, 18-23 November, 2009)

4. The Conference covered a range of topics related to technical matters, programme and budget issues, and the work of various committees. The outcome of these deliberations is summarized below with the full text of the Report of the 36th Conference, C 2009/REP, available at: www.fao.org/docrep/meeting/018/k6821E02.pdf.

Review of the State of Food and Agriculture

5. Members commented on the global agricultural and food security situation and on the theme selected for the general debate: preparedness and effective response to food and agricultural threats and emergencies.

6. The Conference noted with great concern the recent sharp deterioration in the global food security situation, as the food crisis and the subsequent financial and economic crisis had combined to push the estimated number of undernourished in the world to more than one billion people in 2009. The Conference reiterated the urgency of action aimed at reversing this trend and moving onto a path of sustained reductions in levels of global hunger.

7. The Conference recognized that the task of eliminating world hunger would have to be confronted in a context of additional ever more pressing challenges, including those of feeding a growing world population, which was projected to reach 9 billion people by 2050, of meeting increasing demand for bio-fuels, with the consequent pressures on natural resources, as well as the need to ensure sustainable management of the limited natural resource base.

8. The major threats posed by climate change, which risked jeopardizing the food security of large parts of the world's poorest and most vulnerable populations and nations, were underlined. The Conference called for global agriculture to confront the dual challenge of adapting to climate change and contributing to mitigation. Sustained efforts in research and technological innovation were called for to achieve this objective.

9. The Conference underlined that eliminating hunger, while addressing the other major challenges facing global agriculture, would require a significant stepping-up of national and international investments, public and private, in agriculture as well as food security and nutrition.

10. Several delegations also stressed the importance of a free and fair rules-based trading system as an essential component of combating hunger and poverty, and for avoiding a repetition of the recent food crisis. Calls were made for a successful conclusion of the Doha Round of Multilateral Trade Negotiations.

11. The Conference also underlined the need for effective international coordination and governance for food security. It emphasized the importance of the Global Partnership for Agriculture, Food Security and Nutrition with the Committee on World Food Security (CFS) as a central component. In this context, it made special reference to the role of a reformed CFS in providing a platform for discussion and coordination to strengthen collaborative efforts among all involved parties.

12. At the technical level, the Conference stressed the need for coordination between UN Agencies as well as other international bodies involved in the efforts towards hunger

reduction and agricultural and rural development. Specific reference was made to the need for effective coordination among the Rome-based Agencies.

Substantive and Policy Matters in Food and Agriculture

13. The Conference reviewed the work done in, and provided guidance on, a number of areas of work of the Organization.

14. ***Global Strategy for Agricultural and Rural Statistics.*** The Conference welcomed the high quality of the Global Strategy for Agricultural and Rural Statistics, which took into account the findings and recommendations of the recent Independent Evaluation of FAO's Role and Work in Statistics. The Conference recognized that the Global Strategy was essential for the improvement of agricultural and rural statistics and to meet the new and emerging demands in statistics for development policies in the twenty-first century.

15. ***Interim Report on the Triennial Comprehensive Policy Review (TCPR) of Operational Activities for Development of the United Nations System.*** The Conference welcomed the second Interim Report submitted by the FAO Secretariat and encouraged FAO to continue working towards increased UN System-wide coherence in accordance with established mandates, harmonization, effectiveness and efficiency, while bearing in mind that national ownership, priorities and execution represented cornerstones of the development process. Members also welcomed FAO's efforts to enhance its collaboration and partnerships at the field level including in the ongoing Delivering as One pilot process, while noting that the independent evaluation of this pilot initiative was still pending and that intergovernmental discussions in the UN General Assembly were still ongoing. In addition, the Conference noted FAO's strong commitment to the simplification and harmonization of business practices; to strengthening issues related to agriculture, food security and rural development in the United Nations Development Assistance Framework (UNDAF); as well as to the effective functioning of the Resident Coordinator System. The Conference recognized the TCPR as the basis for enhancing cooperation in the UN System, including between the Rome-based Agencies (IFAD, WFP and FAO).

16. ***Global Plan of Action for Animal Genetic Resources.*** The Conference reaffirmed its commitment to the *Interlaken Declaration on Animal Genetic Resources* and stressed the urgent need for the implementation of the *Global Plan of Action for Animal Genetic Resources*, to contribute to global food security and sustainable rural development, to respond to global environmental challenges, in particular related to climate change, and to help achieve the Millennium Development Goals 1 and 7. It recommended that FAO, in its livestock programme, emphasize the linkages between the management of animal genetic resources, animal health, livestock policies and institutions for poverty alleviation, biodiversity and climate change adaptation and mitigation. The Conference appealed to all Members and relevant international mechanisms, funds and bodies to give due priority and attention to the effective allocation of predictable and agreed resources for the *Global Plan of Action*. It further requested that FAO ensure adequate Regular Programme support for the implementation of the *Global Plan of Action*.

17. ***International Year of the Potato 2008 (IYP)***. The Conference noted with appreciation FAO's work, in collaboration with the International Potato Center (CIP) and other key partners, to focus world attention on the importance of the potato (*Solanum tuberosum*) in providing food security and alleviating poverty by implementing IYP activities. The Conference underlined the key role played by FAO in the exchange of knowledge on the potato and for enhancing civil society and private sector involvement in making a greater contribution to the potato industry in developing countries.

18. ***Commission on Genetic Resources for Food and Agriculture***. The Conference encouraged FAO to accord high priority within its Regular Programme to the implementation of the Commission's Multi-Year Programme of Work and endorsed the *Strategic Plan 2010-2017*. The Conference also endorsed the establishment of an Intergovernmental Technical Working Group on Forest Genetic Resources and invited therefore the Director-General to review the role of the Panel of Experts on Forest Gene Resources. The Conference requested FAO to publish and distribute widely the *Second Report on the State of the World's Plant Genetic Resources for Food and Agriculture*.

Programme and Budgetary Matters

19. ***Programme Implementation Report 2006-2007***. The Conference was generally satisfied that delivery under the Regular Programme had fully utilized the budgeted resources and implemented the Programme of Work for 2006-07. The Conference noted that under the Immediate Plan of Action (IPA) a new results-based implementation monitoring and reporting system was developed for the 2010-11 biennium to provide key performance information to Members, for further enhancing oversight as well as contributing to the planning and budgeting process. The Conference underlined the need for consultation with the relevant Governing Bodies in order to ensure that the new Report fully respond to the expectations of Membership in this regard.

20. ***Programme Evaluation Report 2009***. The Conference appreciated the quality of the document in its improved format and the efforts made to enhance learning from evaluation and improving impact evaluation, including increased consultation with stakeholders and a more systematic feedback from evaluation to programming. It stressed the need to maintain balance in evaluation work between normative activities and the field programme, and noted the increased receptivity of FAO Management to the recommendations of major evaluations.

21. ***FAO Strategic Framework 2010-19***. The Conference endorsed the Strategic Framework 2010-19, recalling that it represented the outcome of extensive consultation and discussion among Members and with the Secretariat over many months. The Conference also stressed the importance of mutual commitment on the part of Members and the Secretariat to the accomplishment of the goals and objectives expressed in the Strategic Framework. It underlined the importance of reviewing the Strategic Framework every four years for adaptation to any new challenges and opportunities. It appreciated that this new framework will further strengthen closer and broader collaboration with other UN Agencies and thus contribute to greater coherence within the UN system.

22. ***Medium Term Plan 2010-13, and Programme of Work and Budget 2010-11***. The Conference endorsed the Medium Term Plan 2010-13, including its frameworks for Organizational Results. It emphasized the need for improvements in prioritization, the

formulation of performance indicators, baselines and targets, and the implementation of results monitoring and reporting through review by the Technical Committees and Regional Conferences, as well as the Programme and Finance Committees and Council. The Conference also welcomed the integrated planning and presentation of Assessed and Voluntary Contributions in the Programme of Work and Budget 2010-11. Caution was raised against over-reliance on Voluntary Contributions for Regular Programme activities. The Conference clarified that, while both unidentified further efficiency savings and one-time savings needed to be achieved, the distinction was that the former required measures to attain recurring savings in 2010-11 and thereafter, while the latter should comprise initiatives aimed at realizing one-time, fortuitous savings only in the 2010-11 biennium. It requested that measures for unidentified further efficiency savings and one-time savings include in particular actions aimed at containing the costs of non-staff human resources and official travel, while protecting the delivery of the technical and economic programmes of the Organization. The Conference adopted Resolution 3/2009 – Budgetary Appropriations 2010-11 – as shown in Annex I.

Constitutional and Legal Matters – Amendments to the Basic Texts

23. The Conference acknowledged with appreciation the very significant work accomplished on the revision of the Basic Texts required for the implementation of the IPA and commended all parties involved in the process. The Conference noted that the governance reform, as prescribed by the IPA, involved the adoption of a set of amendments to the Constitution, the General Rules of the Organization and the Financial Regulations, as well as a number of Resolutions clarifying the functions of the Governing Bodies and other governance processes, such as the reform of Programming, Budgeting and Results-Based Monitoring System. The Conference adopted the amendments to the Constitution, the General Rules of the Organization and to the Financial Regulations proposed by the Council at its Hundred and Thirty-sixth Session (Annex II).

Follow-up to the Conference Directives

24. The Conference called for a series of follow-up actions. In particular, it requested:

- the Secretariat to ensure adequate Regular Programme support for the implementation of the *Global Plan of Action for Animal Genetic Resources* adopted by the Commission on Genetic Resources for Food and Agriculture.
- the Commission on Genetic Resources for Food and Agriculture to continue overseeing and assessing the implementation of the *Global Plan of Action for Animal Genetic Resources* and to regularly report back to the Conference on the status of implementation of the *Global Plan of Action*.
- the Committee on Fisheries (COFI) to provide further prioritization of the Programme of Work at the next Session of COFI.
- the Committee on Forestry (COFO) to ensure that future sessions of COFO discuss priorities for FAO's support to Members in forestry.

- the Secretariat to continue to help Members strengthen their capacities to develop effective responses to climate change mitigation and adaptation with regard to forestry.
- the Secretariat to prepare a report on the state of the world's forest genetic resources as a contribution to the agreed work plan of the Commission on Genetic Resources for Food and Agriculture.
- the Secretariat to present a priority paper for the Programme of Work and Budget 2012-13 at the 22nd Session of the Committee on Agriculture.
- the Secretariat to ensure that measures for unidentified further efficiency savings and one-time savings include in particular actions aimed at containing the costs of non-staff human resources and official travel, while protecting the delivery of the technical and economic programmes of the Organization.
- the Director-General to report to the Finance Committee on on-going adjustments to the Programme of Work for unidentified further efficiency gains and one-time savings amounting to USD 22,800,000.
- the Secretariat to harmonize the proposed amendments to the General Rules of the Organization for the reform of the CFS with those regarding the implementation of the IPA, especially as regards Rule XXXIII of the General Rules of the Organization.
- the Commission on Genetic Resources for Food and Agriculture to report on its work to future sessions of the Conference.
- the Secretariat to publish and distribute widely the *Second Report on the State of the World's Plant Genetic Resources for Food and Agriculture*.
- the Director-General to bring Resolution 18/2009 – Policies and arrangements for Access and Benefit-sharing for Genetic Resources for Food and Agriculture – to the attention of the Executive Secretary of the Convention on Biological Diversity.

D. Implementation Of The Immediate Plan Of Action

25. At its 35th session in November 2008, the Conference approved the Immediate Plan of Action (IPA) for FAO Renewal and established a time-bound Conference Committee (CoC-IEE) for continued follow-up to the Independent External Evaluation of FAO. The IPA is a five year programme of FAO reform from 2009 until 2013.

Overall Progress in 2009

26. The outgoing Independent Chairperson of Council, Professor Noori Naeini, at Conference in November 2009 appreciated the significant progress that had been made in implementing the IPA in 2009. He highlighted as noteworthy achievements that results-

based management had been established, the change towards a results-based culture had begun, decentralization was progressing, as was delegation of responsibility and organizational restructuring and streamlining, greater attention was being given to improved human resource management, and more effective governance was being introduced. He also referred to other successful outcomes over the year, such as the launch of FAO's Internal Vision Statement demonstrating that staff is "proud to work for FAO". He also noted that such notable progress could not have been accomplished without the spirit of trust and increased collaboration between the Membership and the Management of FAO in jointly endeavouring to move forward with the reform of the Organization. He noted that considerable efforts were still needed in the future, and that the CoC-IEE would play a key role of oversight.

27. The 2009 Conference, in Resolution 4/2009, noted with appreciation that major progress has been achieved in implementing many IPA actions in the course of 2009, along with related recommendations from the Root and Branch Review of administrative processes. It recognized that FAO renewal will continue to entail considerable efforts to carry out large and complex IPA projects in 2010-11, and to ensure long-term integration of culture change in the overall reform of the Organization. It acknowledged the spirit of collaboration and trust that has prevailed between the Membership and the Management of FAO in conducting the reform process as a joint endeavour, with full engagement and interactive participation of the Members, constant support of the Director-General, and committed involvement of the Staff across the Organization.

IPA Actions in 2010/11

28. In approving the Budgetary Appropriations for 2010-11 (CR 4/2009), the Conference provided full funding for implementation of the IPA reform programme planned in the Programme of Work and Budget 2010-11. The IPA reform programme for 2010-11 comprises, *inter alia*, implementation of a number of large, complex projects that will impact on the daily work of many FAO staff. IPA actions will predominantly fall into the five following areas:

- *Focus on Member needs through **results-based programming**, monitoring, reporting and resource mobilization¹*: the Organization will develop monitoring and reporting systems to provide key performance information to Members and further enhance the new planning and budgeting model. An organization-wide rollout of the staff appraisal system (PEMS) will be undertaken in 2010-11 to complete the "accountability link" between FAO Strategic Objectives and individual staff performance. Emphasis will be given to prioritization of the technical work of the Organization, which is an ongoing exercise that needs to be actively pursued throughout the first full cycle of results-based planning in 2010-11. A Resource Mobilization and Management Strategy, comprising Impact Focus Areas, national Medium Term Priority Frameworks, and regional and subregional areas of priority action, will be implemented with a view to ensuring that voluntary contributions focus on the agreed results frameworks and improve Governing Body monitoring and oversight.

¹ Report of the CoC-IEE on the Immediate Plan of Action for FAO Renewal - C 2009/7, paragraph 72

- ***Functioning as one Organization*** by aligning structures, roles and responsibilities to the results framework: the Headquarters structure will continue to be refined, and the Organization will invest in the essential infrastructure to enable staff in the Decentralized Offices to be able to use the same corporate tools and facilities as their colleagues in Headquarters. The Organization will also double the number of staff rotating between Headquarters and/or the Decentralized Offices to ensure the flow of knowledge and expertise between the offices, and enrich the experiences and knowledge of the staff. Further clarifications of the functions of some units will be required to ensure that the Organization functions as one. FAO's partnerships will be enhanced and renewed pursuing the possibilities for further joint activities and collaborative arrangements with the Rome-based agencies and the United Nations system, as well as the private sector and civil society organizations.
- ***Optimizing human resources through Human Resources policy, practice and culture change***: the Organization will fully develop a joined up and consistent system for the recruitment and development of young professionals, and invest in additional professional staff in the Human Resources Management Division to support their role as strategic business partners to the Organization. Important initiatives such as the staff rotation policy and the roll out of the Performance Evaluation and Management System will be carried out. Culture change activities will focus on monitoring the implementation of FAO's Internal Vision and ensuring the integration of culture change in the overall reform process.
- ***Efficient use of Member contributions through reform of administrative and management systems***: the recommendations of the external Root and Branch review of administrative and support functions have been fully integrated in the IPA actions, including a number of activities to streamline and improve administrative processes. The functioning of the Shared Services Centres will be enhanced and the review and further automation of the registry function will commence. The new printing and distribution unit will be established and a range of improvements to headquarters and field procurement processes will be introduced. Administrative processes will continue to be streamlined, taking into consideration the results of the external review of the administrative activities of the Office of the Director-General. A pilot enterprise risk management project will be completed, which will assess FAO's current risk management structure/framework, identify gaps and inform the development of an Organization-wide Enterprise Risk Management Framework, which will contain the necessary elements to continuously improve the Organization's risk management capabilities. The implementation of International Public Sector Accounting Standards (IPSAS) will improve financial reporting, leading to increased confidence among Members and Donors. In addition, improved policies, processes and information systems in field locations will significantly improve the quality of financial information available to staff in DOs, supporting improved decision-making and risk management.
- ***Improved articulation of Member needs through effective governance and oversight***: the evaluation function will be further strengthened, including in its advisory role on results-based management, programming and budgeting. Multi-year programmes of work for the Council, the Council Committees and the

Regional Conferences will be further defined and prepared. The functions and Terms of Reference for the proposed Ethics Committee will remain under review of the relevant Governing Bodies.

E. The Impact Of Reform On The Decentralized Offices Network

29. The IPA re-iterated the need for FAO to maintain a strong decentralized presence to help achieve its strategic objectives, to flexibly provide services to members and to function effectively as a knowledge organization. FAO Management was also requested to delegate increased responsibility to the DOs and to include DOs staff in the Organization's results-based performance assessment system. In addition, the IPA requested substantial change in FAO's governance structure, including making the Regional Conferences a part of the Governing Bodies. In 2009, Members have taken a strong interest in decentralization and the topic was covered at four formal and two informal meetings.

IPA actions Directly Impacting Decentralization

30. The relevant IPA matrix covers 15 actions. Of these, six have been completed and nine are under implementation; of the latter, progress on three is contingent upon action by Member States (see Annex III). The main changes implemented as a result of these IPA actions are:

- Greater involvement of Regional Offices in decision-making, programming and budgeting for the Organization. This includes the transfer of primary reporting lines for FAO Representatives and technical officers in the region to the heads of the Regional Offices.
- Administrative streamlining to support improved functioning of DOs with substantially greater authority handed over to Country Offices.
- Addressing the structural deficit in the budget of the Country Offices network through provision of increased resources (through abolition of the Lapse Factor) for the FAORs budget and interim measures such as appointing Emergency Coordinators as Officers-in-Charge of FAORs where feasible and with the prior consent of the concerned donors and placing current FAO Representatives against vacant posts in the Regional and Subregional Offices.
- Progressively adjusting the skills mix of, and training for, Regional and Subregional Offices staff in accordance with evolving (sub) regional needs and priorities.
- Introducing a benchmarking and performance-based reporting and monitoring system for DOs.
- Upgrading the ICT infrastructure and systems in the DOs to enable them to use the same corporate tools and facilities as Headquarters.

Other Reforms Affecting the DOs Network

31. The effectiveness of decentralization is inextricably intertwined with progress in a range of other areas of the IPA such as reform of programming and budgeting, the smooth roll-out of the decentralization of TCP, resource mobilization, adoption of International Public Sector Accounting Standards (IPSAS), reform of Regional Conferences, Headquarters restructuring, culture change and administrative and human resources management reform. Many of the IPA's change initiatives will also have significant impact on the decentralization process (see Annex IV). Some of the key aspects of these changes are summarized below:

- DOs will progressively assume a greater role in strategic planning, priority-setting and resource mobilization. They will also take active part in the progressive formulation and introduction of Impact Focus Areas which would facilitate the responsiveness of the Organization to decentralized priorities.
- The ability of DOs to quickly respond to country, subregional and regional needs will also be enhanced by decentralization of the Technical Cooperation Programme.
- The Organization will double the number of staff rotating between Headquarters and/or the DOs to ensure the flow of knowledge and expertise between the offices, and enrich the experiences and knowledge of the staff.
- The enhanced responsibilities of the Regional Conference and a closer articulation of FAO's regional priority areas with agreed global strategic objectives.
- Enhanced partnerships will lead to greater potential for partnership with Regional Organizations, greater alignment of FAO's interventions with that of the other members of the UN country team and greater possibilities for engagement with national institutions and private sector entities.
- Continued reform of Human Resources policies emphasizing improvements in performance evaluation and management, leadership training; management information reporting and improved support to restructuring; and streamlining initiatives.

In addition to the above IPA actions, the secretariat is also preparing separate strategy documents on Capacity Development and Information and Knowledge Management which will improve the work of DOs in these areas.

Impact on Regional Offices

32. An important change in FAO's decentralized structure is the strengthening of Regional Offices which, working as appropriate with Subregional Offices, have taken on new responsibilities for: (i) overseeing the Country Offices, including the management of resources of the FAO Representations (FAORs) network; (ii) managing the non-emergency TCP programme in the respective regions; (iii) leading the strategic planning,

programming and budgeting process for the region; (iv) supervising regional technical officers; (v) organizing and servicing the strengthened Regional Conferences; (vi) leading partnerships, particularly with regional organizations; and (vii) supporting Country Offices on matters dealing with UN reforms. The CoC-IEE recommended to the 2009 Conference that funding of Regional Offices must be commensurate with their new responsibilities.

**Medium to Long-term Vision on the Structure and Functioning of FAO's
Decentralized Offices Network**

33. IPA action item 3.84 requested Management to conduct a review of FAO's Country Office network on the basis of a number of specified criteria. The objective was to ensure that, at a minimum, the structural budget deficit for the network is eliminated through alternate forms of country presence. The analysis of the criteria done by the Management was discussed at four meetings of the CoC-IEE Working Groups in 2009. Despite intensive debate, consensus could not be reached on this subject. In the meantime, Management has taken steps to address the structural deficit through abolition of the Lapse Factor for the network, and interim measures such as appointing Emergency Coordinators as Officers-in-Charge of FAORs and placing current FAO Representatives against vacant posts in the Regional and Subregional Offices as well as outposting Regional and Subregional Technical Officers to serve additionally as FAO Representatives.

34. In this context, the CoC-IEE meetings in 2009, with endorsement by the Conference in November 2009, requested the Management to prepare a medium- to long-term vision related to the structure and functioning of the DOs network, taking account of the IPA actions on decentralization. A draft document to that effect is provided as an Addendum for discussion by Regional Conferences. After receiving inputs from the Regional Conferences, Management will formulate and present in 2010 proposals to the relevant Governing Bodies for review and decision. The whole process will take place with active participation and guidance of the CoC-IEE.

RESOLUTION 3/2009
Budgetary Appropriations 2010-11

THE CONFERENCE,

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

Emphasizing the imperative of protecting the technical and economic programmes;

Having considered the proposed total net appropriation of USD 990,200,000 for the financial period 2010-11 at the 2008-09 rate of Euro 1 = USD 1.36 which assumes US dollar and Euro expenditure equal to USD 431,550,000 and Euros 410,813,000;

Having considered that the above net appropriation is equivalent to USD 1,000,526,000 at the budget rate of Euro 1 = USD 1.38 established for 2010-11 after translation of the Euro portion;

1. **Approves** the Programme of Work proposed by the Director-General for 2010-11 as follows:
 - a) Appropriations are voted at a rate of Euro 1 = USD 1.38 for the following purposes:

		USD
Chapter 1:	A - Sustainable intensification of crop production	50,370,000
Chapter 2:	B - Increased sustainable livestock production	32,566,000
Chapter 3:	C - Sustainable management and use of fisheries and aquaculture resources	57,090,000
Chapter 4:	D - Improved quality and safety of food at all stages of the food chain	25,337,000
Chapter 5:	E - Sustainable management of forests and trees	43,569,000
Chapter 6:	F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	54,645,000
Chapter 7:	G - Enabling environment for markets to improve livelihoods and rural development	41,612,000
Chapter 8:	H - Improved food security and better nutrition	60,509,000
Chapter 9:	I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,848,000
Chapter 10:	K - Gender equity in access to resources, goods, services and decision-making in the rural areas	10,284,000
Chapter 11:	L - Increased and more effective public and private investment in agriculture and rural development	38,643,000
Chapter 12:	X - Effective collaboration with Member States and stakeholders	225,457,000
Chapter 13:	Y - Efficient and effective administration	122,914,000
Chapter 14:	FAOR Programme	88,204,000
Chapter 15:	Technical Cooperation Programme	111,694,000
Chapter 16:	Contingencies	600,000
Chapter 17:	Capital Expenditure	27,118,000
Chapter 18:	Security Expenditure	24,866,000
	Unidentified further efficiency gains	(12,400,000)
	One-time savings	(10,400,000)
	Total Appropriation (Net)	1,000,526,000
Chapter 19:	Transfer to Tax Equalization Fund	98,092,000

Total Appropriation (Gross)**1,098,618,000**

- b) The appropriations (net) voted in paragraph (a) above include an amount of USD 39,600,000 to fund the implementation of the Immediate Plan of Action, comprising an estimated amount of USD 18,200,000 for net recurring costs and USD 21,400,000 for investment costs, as contained in the Report of the CoC-IEE to the FAO Conference on the Immediate Plan of Action for FAO Renewal (C 2009/7).
 - c) The appropriations (net) voted in paragraph (a) above minus estimated Miscellaneous Income in the amount of USD 5,000,000, and minus USD 2,500,000 to be carried over from the 2008-09 biennium (see paragraph 2 below), shall be financed by assessed contributions from Member Nations of USD 993,026,000 to implement the Programme of Work.
 - d) Such contributions shall be established in US dollars and Euro and shall consist of USD 424,050,000 and Euro 410,813,000. This takes into account a split of 43.1% US dollars and 56.9% Euro for the appropriations (net) and of 100% US dollars for Miscellaneous Income and the carry-over from the 2008-09 biennium.
 - e) An additional amount of USD 14,100,000 shall also be financed by assessed contributions from Member Nations to fund the After-service Medical Coverage (ASMC) past service liability. The contributions shall be established in US dollars and Euro, taking into account a split of 32.6% US dollars and 67.4% Euro, and shall therefore amount to USD 4,597,000 and Euro 6,861,000.
 - f) The total contributions due from Member Nations to implement the approved Programme of Work and to fund the amortization of ASMC shall amount to USD 428,647,000 and Euro 417,674,000. Such contributions due from Member Nations in 2010 and 2011 shall be paid in accordance with the scale of contributions adopted by the Conference at its Thirty-sixth Session.
 - g) In establishing the actual amounts of contributions to be paid by individual Member Nations, a further amount shall be charged through the Tax Equalization Fund for any Member Nation that levies taxes on the salaries, emoluments and indemnities received by staff members from FAO and which are reimbursed to the staff members by the Organization. An estimate of USD 7,800,000 has been foreseen for this purpose.
2. **Authorizes** the Director-General to transfer any unspent balance up to USD 2,500,000 against the budgetary appropriation for 2008-09 from other budgetary chapters in favour of Chapter 17 (Capital Expenditure), with any unspent balance under Chapter 17 to be carried over to the next biennium in accordance with Financial Regulation 6.11. The precise amounts transferred will be reported by the Director-General to the Finance Committee Session in April 2010 in the final budgetary performance report for 2008-09.

3. **Requests** the Director-General to report to the Finance Committee on-going adjustments to the Programme of Work for unidentified further efficiency gains and one-time savings amounting to USD 22,800,000 referred to in paragraph 1(a) above which are currently not reflected in the chapter structure, noting that both within chapter transfers and transfers from one chapter to another required to implement the proposals will be handled in accordance with Financial Regulation 4.5.
4. **Encourages** Members to provide voluntary contributions to facilitate implementation of the unified Programme of Work under the Results Framework.

Annex II

Reference list of the main amendments made by the Conference to the Basic Texts of the Organization for the implementation of the IPA

- Regional Conferences
- New date of the Conference Session
- Reporting lines of the Technical Committees and the Regional Conferences
- Independent Chairperson of the Council
- Changes to functions of the Council
- Revised cycle of Programme and Budget preparation and of Governing Body sessions and elimination of the summary Programme of Work and Budget
- Programme Committee
- Finance Committee
- Committee on Constitutional and Legal Matters
- Committee on Commodity Problems
- Committee on Agriculture
- Committee on World Food Security
- Appointment of the Director-General
- Delegation of authority by the Director-General
- Appointment to the posts of Deputy Directors-General.

Annex III. Status of IPA actions assigned to Project 6 on Decentralization

IPA Action	Deliverable	Status	Comments
3.76	The Programme and Finance Committees will support the Council in providing policy oversight of all aspects of the Decentralization including in particular the implementation of the IPA.	In progress	During 2009, monitoring of decentralization issues was done by the CoC-IEE rather than the Programme and Finance Committees.
3.77	Organize Senior Management Meetings so that ADGs/RRs can be present via video link.	Completed	Activity ongoing
3.78	Transfer the primary reporting line for decentralized technical officers in the regional offices to the ADGs/RRs, or where more appropriate for subregional staff to, the subregional coordinator	Completed	The Director-General issued a Bulletin implementing the new reporting lines.
3.79	Fully involve ADGs/RRs in programming and budgeting.	Completed	The role of ADG/RRs in the preparation of the PWB/MTP 2010-11 was considerably expanded and will continue to expand when the preparation of the PWB 2012-13 begins.
3.80	Transfer budget and programme responsibility of technical officers in the regional officer to the ADG/RRs	Completed	This was already realized in the preparation of the PWB/MTP 2010-11.

3.81	Transfer primary responsibility for technical and substantive aspects of supervising FAORs to the ADG/RRs with, where appropriate, the reporting line to the ADG through the sub-regional coordinator. A unit in the office responsible for operations will handle overall coordination, liaison between regions etc.	Completed	Primary responsibility for FAO Representatives has been transferred to ADGs/RRs. The Office of Support to Decentralization (OSD) has been set up to handle coordination, liaison, etc.
3.82	Revise delegated authorities to DOs and control procedures	In Progress	Delegated authorities for procurement and letters of Agreement have been revised and training is underway. Further delegations are under preparation.
3.83	Discontinue administrative responsibilities with subregional offices to allow them to function fully as technical support units to countries in the subregion.	Completed	SROs have no administrative responsibilities vis-à-vis country offices.
3.84	Rationalize coverage of Country Offices	In Progress	Four documents with a section on country coverage were submitted to the CoC-IEE in 2009. No consensus was reached on this subject and the Management was asked to prepare vision on structure and functioning of the DOs network. The CoC-IEE, and subsequently the Conference, accepted the proposals to reduce the structural deficit of the FAOR Network through abolition of the lapse factor for the FAOR Network budget, utilization of a limited number of Emergency Coordinators (subject to donor concurrence) and Regional Technical Officer posts to fill FAOR vacancies.

3.85	Adjust composition of Regional Office and Subregional Office staffing in line with priority needs, reviewed in the light of UN system offices	Completed	The skills mix review was finalized and the results included in the PWB 2010-2011. Changes will be implemented incrementally in the course of the biennium. A new skills mix review will start in April 2010 with the preparation of the PWB 2012-13
3.86	Clarify coverage of the Near East Regional Office	In Progress	A document was provided to the CoC-IEE in 2009 on this subject. The CoC-IEE subsequently requested the Near-East Regional Group to examine this issue.
3.87	Redefine job descriptions, profile of competencies (including policy competence) recruitment and performance appraisal procedures (open competitive) for ADG/RRs, Subregional Coordinators and FAORs	In Progress	Revised job profiles of FAO Reps, RRs and SRCs have been prepared and reflected in recent Vacancy Announcements. A further review of competencies will be undertaken by CSH and OSD.
3.88	Introduce benchmarks and a performance-based reporting and monitoring system for DOs.	In progress	Work is ongoing to define the new system and its relation to Results-Based Management.
3.89	Strengthen staff training	In progress	A new training strategy is under preparation.
3.90	Upgrade of ICT infrastructure and Information Systems Functional Support for Decentralized Offices	In progress	Action has been taken to improve bandwidth in offices facing problems. In addition, High Definition videoconferencing will be introduced in HQ, Regional and Subregional locations.

3.95	Transfer OCD Functions to Regional/Subregional Offices and to a coordination unit in the office responsible for operations.	Completed	Transfer of relevant OCD functions to Regional Offices and to the new unit (OSD) has been completed.
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Annex IV. Status of current IPA action items related to decentralization but not-assigned to IPA project 6.

IPA action items	Project Number	IPA Project/Item Title	Items of relevance to Decentralization	Status
2.52 to 2.55	1	Governing Body Reform	Amendments to the Basic Texts to change status, functions, reporting lines and work methods of the Regional Conferences	The Conference in November 2009 adopted changes to the Basic Texts setting out new responsibilities and ways of working of the Regional Conferences. This will enhance the influence of regional perspectives in FAO decision making.
3.1 to 3.11	3	Reform of Programming, Budgeting and Results-Based Management	Assessed contributions and extra-budgetary resources will be managed in a unified work programme. Programming and budgeting documentation will be drawn up, reflecting a results based hierarchy which will be monitored and evaluated for results.	The PWB/MTP 2010-11 approved by the 2009 Conference covered both assessed and extra-budgetary contributions and was based on results-frameworks. The results-based approach applies also to Regional and Subregional Offices. Country Offices will be introduced to this new way of programming in the second half of 2010 through a pilot and then progressively during the rest of the biennium and 2012-13.

3.12 to 3.21	4	Resource Mobilization and Management	<p>The Resource Mobilization Strategy addresses how assessed and extra-budgetary contributions can be mobilized for agreed priorities in the Strategic Objectives so as to improve Governing Body oversight, increase the proportion of pooled or untied resources, increase focus and impact and reduce transaction costs.</p>	<p>The Strategy was approved by Conference in November 2009 to start in 2010-11. It comprises Impact Focus Areas (IFAs), National Medium Term Priority Frameworks, and regional and subregional areas of priority action. Its implementation is part of the medium-term planning process. It is still work in progress and will be regularly considered by the Finance and Programme Committees during 2010-11. Seven IFAs have been endorsed which will help to mobilize extra-budgetary support for 45 of the 49 Organizational Results. Redefinition of role of DOs in resource mobilization is ongoing. This will result in greater focus of resource mobilization on those country, subregional and regional priorities as that relate to FAO's IFAs.</p>
3.22 to 3.29	5	Technical Cooperation Programme	<p>The responsibility for TCP allocations will be assigned to ADGs/RRs, and at country level to FAO Representatives</p>	<p>The transfer of responsibilities has been completed. Guidelines have been prepared and training has been provided in nine regional and sub regional locations</p>
3.104 to 3.118	8	Partnerships	<p>Collaborative links need to be established with partner institutions in support of shared goals.</p>	<p>A note on an organization-wide strategy on partnerships was endorsed and work initiated. This will lead to improved partnership with Regional Organizations, better alignment of FAO interventions with that of the other members of the UN country team and enhanced engagement with national institutions and private sector entities.</p>

3.38 to 3.41	9	Reform of administrative and management systems	This project includes increasing the delegation of authority for procurement, with a revision of Manual Section 502, and streamlining the authority for letters of agreement, with a revision of Manual Section 507, to DOs.	The revised Manual section was issued in late 2009 and implemented as of 1 January 2010. With this the FAORs have doubled their delegation of authority to procure locally. A related Website has been launched and guidelines provided. Training is ongoing will be finalized in 2010. As a result, DOs will have greater leeway in their operations and will be directly accountable.
3.42	11a	IPSAS	Improvements are being made to the processes, procedures and systems in the DOs to support compliance with International Public Sector Accounting Procedures (IPSAS). The new Field Solution to replace the current Field Accounting System (FAS) will support the needs of the Decentralized Offices as regards the recording, accounting and reporting of financial transactions.	In line with the project plan, users from DOs have been seconded to the IPSAS Project. A User Survey among Country Offices was carried out in December 2009. Analysis is currently underway to indentify the technical architecture.
3.30 to 3.32	13	Culture Change	Establish a Culture Change Team, composed of all location and grade groups, to develop and implement an internal vision on FAO's culture.	The Culture Change Team was formed that developed a vision which was adopted on 5 November 2009. A number of proposals for action were developed covering i) Recognition and Rewards, ii) Career Development and iii) Creating an Inclusive Work Environment.

3.59 to - 3.75	14	Human Resources	A revised HR Management Strategy Framework, a 'living' document to be revised and updated as necessary, will focus on has six elements: Performance Evaluation/Management, Leadership training; Management Information Reporting; new HR Policies; support to restructuring; and streamlining initiatives.	A staff mobility policy is under review and expected to be operational in June 2010. The roll out of the Performance Evaluation and Management System (PEMS) has been completed in the majority of DOs. Training will be completed in April 2010. Heads of DOs now regularly attend the Management Development Centre. Planning for an FAO Virtual Academy pilot is in progress. A procurement framework agreement with WFP has been officially finalized for which e-learning service providers can be 'called-down' by FAO. Sourcing of e-learning courses from UN agencies is in progress. Attention continues to be given to ensuring a balanced gender and geographical representation amongst the staff of the Organization.
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