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

PROGRAMME AND FINANCE COMMITTEES

**Hundred and Thirteenth Session of the Programme Committee and
Hundred and Forty-eighth Session of the Finance Committee**

Rome, 18 – 22 March 2013

**Mid-term Review (MTR) Synthesis Report – 2012
(of the Programme of Work and Budget 2012-13)**

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Executive Summary

- The Mid-term Review synthesis report informs the membership of the progress in implementing the approved Programme of Work and Budget 2012-13, focusing on major policy developments, progress on making a difference through Organizational Results, and the management of resources.

Major policy developments

- 2012 saw the introduction of the Director-General's transformational changes aimed at enhancing FAO's impact and delivery of its mission to combat hunger, malnutrition and food insecurity, with focus on four areas:
 - bringing greater focus to FAO's strategic direction - the Strategic Thinking Process brought analytical rigour to formulating FAO's strategic priorities for the future work of the Organization
 - enhancing FAO's decentralized work by increasing participation of member countries and other stakeholders in setting country level priorities
 - reducing costs, by establishing a culture of continual improvement and value-for-money. In the first year of the biennium alone, this delivered cost-savings of USD 25 million
 - working in partnership - In 2012, partnerships moved closer to the centre of FAO's strategy for creating a sustainable hunger-free world, by acting as a lever for greater influence on the world stage, a cost-effective means of reaching individual actors in civil society, and creating new economies of scale

Making a difference

- 52 of the 56 Organizational Results (93 percent) are on track to be achieved, while four (7 percent) require remedial action during 2013. Overall, the results show a slight improvement in performance compared to the previous Mid-term Review. The main challenges in meeting targets have centred on handling the impact on existing work plans of changing stakeholder expectations, the impact of long recruitment times on the availability of technical skills in the field and in some cases changes in priorities.
- From a regional perspective, there are some variation between the regions in the forecasts for delivering Organizational Outputs, with 90 percent on target in the Near East and North Africa, and in Asia and the Pacific. Organizational Outputs were re-prioritized in Latin America and the Caribbean based on review of Country Programming Frameworks.

Managing resources wisely

- By December 2012, half of the Regular Programme net appropriation of USD 1,005.6 million had been spent, as had the forecast for extrabudgetary expenditure for the Strategic and Functional Objectives.

Suggested action by the Programme and Finance Committees

The Committees are requested to:

- review and advise on the progress and challenges towards achievement of results and financial performance; and
- provide guidance on improving the format and content of future Mid-term Review synthesis reports.

Introduction

1. FAO's current results-based framework set forth in the Medium Term Plan 2010-13 (Reviewed) and the Programme of Work and Budget 2012-13, comprises:
 - three Global Goals**, representing the fundamental development impacts in the areas of FAO's mandate which countries aim to achieve;
 - eleven Strategic Objectives** contributing to the achievement of the Global Goals;
 - two Functional Objectives** providing the enabling environment for FAO's work; and
 - 56 Organizational Results** defining and measuring the effect of FAO's work under each Strategic and Functional Objective.
2. Two internal review and assessment processes provide Management with information to take in-course remedial actions and inform future work: the Mid-Term Review at the end of the first year of the biennium, and the End-of Biennium Assessment. Reports based on these processes keep Members and other stakeholders informed of progress and achievements in delivering the targets and commitments for the Organizational Results thereby recording FAO's contribution to meeting the Strategic Objectives: the Mid-term Review synthesis report, published at the end of the first year of the biennium; and the Programme Implementation Report, published at the end of the biennium.
3. The Mid-term Review (MTR) synthesis report builds on FAO's results-based framework for planning, monitoring and reporting on the Organization's work under all sources of funds. The MTR:
 - i) reports on the extent to which FAO is on track to deliver its commitments to Members as laid out in the Medium Term Plan 2010-13 (Reviewed) and the Programme of Work and Budget 2012-13; and
 - ii) identifies the remedial actions needed by Management for any results at significant risk of not being fully achieved.
4. The report identifies challenges encountered only for those Organizational Results where current information indicates that targets may not be met; challenges met on Organizational Results which are on track have been treated as being not significant and so not reported.
5. The MTR synthesis report has three main sections:
 - 1) an overview of the *Major policy developments*;
 - 2) *Making a difference*, a presentation of the progress, performance and outlook for each Strategic Objective and for the supporting Functional Objectives, plus a summary narrative of contributions from the regional perspective; and
 - 3) *Managing resources wisely*, which describes how FAO has sought to improve the efficiency of its internal administration and includes an analysis of financial performance.Annex 1 describes how this report was put together, including the quality assurance mechanisms.

Figure 1: The main components of FAO's Results Framework – 2010-2013

FAO's 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:

- reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which all people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- 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
- 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

- A. Sustainable intensification of crop production
- B. Increased sustainable livestock production
- C. Sustainable management and use of fisheries and aquaculture resources
- D. Improved quality and safety of foods at all stages of the food chain
- E. Sustainable management of forests and trees
- F. Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture
- G. Enabling environment for markets to improve livelihoods and rural development
- H. Improved food security and better nutrition
- I. Improved preparedness for, and effective response to, food and agricultural threats and emergencies
- K. Gender equity in access to resources, goods, services and decision-making in the rural areas
- L. Increased and more effective public and private investment in agriculture and rural development

Functional Objectives

- X. Effective collaboration with Member States and stakeholders
 - Y. Efficient and effective administration
-

I. Major policy developments

6. The year 2012 saw the formulation and progressive introduction of transformational changes, aimed at enhancing FAO's impact and delivery against its mission to combat hunger, malnutrition and food insecurity. At the centre of the transformational change programme are initiatives to translate FAO's normative work into country-level impact, and its global knowledge products into tangible change in policy and practice. These transformational changes build on previous FAO reform initiatives, and include four main areas of focus:

- bringing greater clarity and focus to FAO's strategic direction;
- enhancing the capacity and structure of the decentralized office network so as to enable it to work in a more holistic manner with headquarters;
- institutional strengthening and increasing value for money;
- working in partnership.

Greater focus to strategic direction

7. The future strategic direction and priorities of the Organization within the context of the vision for transformational change were developed by the Strategic Thinking Process, which was launched by the Director-General in 2012. Using iterative, analytical and consultative techniques, involving Members, staff and external experts, the Process resulted in the formulation of five cross-cutting Strategic Objectives for the future work of the Organization. The Strategic Thinking Process has also: (i) led to a revision of FAO's Core Functions; (ii) spurred the elevation proposed by Members of FAO's First Global Goal from "reducing" to "eradicating" hunger; and (iii) informed the preparation of the reviewed Strategic Framework, the new Medium Term Plan 2014-17 and the Programme of Work and Budget 2014-15.

8. The renewed strategic direction lays the foundation for improvements in the way the Organization works and will bring greater cohesion to FAO's efforts, by creating a common sense of direction and accountability for previously disparate strands of FAO's effort (Regular Programme and extrabudgetary, field and headquarters, emergency and development). As part of the transformational changes, the Council agreed to increase and focus the Multidisciplinary Fund to strengthen the Programme of Work in areas primarily related to the new Strategic Objectives and programmatic regional initiatives.¹ This work will be reported in the Programme Implementation Report 2012-13.

Enhanced decentralized office network

9. The enhancement to the structure and functioning of the decentralized offices network in 2012 was aimed at ensuring that the Organization's work at country, sub(regional) and global level make the greatest possible contribution to the achievement of FAO's Strategic Objectives. This involved addressing four related issues:

- a) Increasing membership participation and ownership in setting priorities. At country level, the formulation of Country Programming Frameworks (CPFs) relies on participative planning and prioritization processes. At subregional level, regional economic integration organizations review and consolidate alongside FAO staff the common country priorities identified through the CPFs. At regional level, the preparatory process of the Regional Conferences allows the review of common regional priorities.
- b) Lining up FAO's work with that of other key partners. Country Programming Frameworks focus FAO in-country interventions on areas where national development objectives, United Nations Development Assistance Framework priorities and FAO's Strategic Objective best coincide and where FAO's comparative advantages can be most effectively applied.

¹ CL 144/3 paragraphs 61-65 and CL 145/3 paragraphs 27-29

- c) Clarify the organizational roles in supporting field activities. Headquarters establishes the enabling conditions that allow decentralized offices to effectively implement their Country Programming Frameworks. Regional offices are being strengthened to play their roles of technical, operational and managerial hubs. Country offices will be further strengthened by improving the internal support for their key business processes such as resource mobilization, planning and programming, project management, advocacy and communication. The selection of heads of decentralized offices is now competency-based and a new mobility policy will assure that more FAO Representatives have the requisite of prior FAO experience.
- d) Strengthening field offices. FAO launched a variety of initiatives targeted at strengthening the ability of its field offices to meet these new challenges. For example, the new Global Resources Management System (GRMS) will increase the availability of up to date, reliable and consistent information and form the basis for a more robust system of internal control. This is complemented by measures to expand the technical and professional skill base through improved staff mobility, better technical networking and the introduction of a more rigorous process for selecting FAO Representatives.

Institutional strengthening and value-for-money

10. Transformational measures for institutional strengthening were put in place during 2012 consistent with issues emerging from the Strategic Thinking Process. The purpose of introducing these measures was to adjust the organizational structure in preparation for optimal delivery against the new strategic direction from 2014, as well as to support the transition to the reviewed Strategic Framework. Specific such measures were introduced in 2012 with regard to: (i) human resources management function; (ii) communication and partnerships capacity; (iii) security services; (iv) the Technical Cooperation Department, in particular policy assistance capacity, external resource mobilization, South-South cooperation, emergency and rehabilitation activities; (v) the AG and ES departments, in particular concerning nutrition, food safety and standard-setting expertise; (vi) knowledge exchange, research and extension capacity; and (vii) Secretariat support to FAO governance and its liaison with Members and their representatives.²

11. In addition, initiatives to enhance value-for-money were presented to the Council at its 144th session in June 2012. The Council appreciated the identification of further savings of USD 19.3 million, primarily from efficiencies in administrative areas, and endorsed the reallocation of these savings within the PWB 2012-13 towards the decentralized offices network, interdisciplinary work, strategic planning and security.

Partnerships

12. During 2012, the drive for developing meaningful partnerships moved closer to the centre of FAO's overarching aim for creating a sustainable, hunger-free world as a tool to support the achievement of the Organization's Strategic Objectives. In this context, the Council supported in 2012 revised strategies for partnerships with the private sector and civil society organizations respectively, and will review updated, final versions for approval in 2013. Furthermore, a meeting of Executive Heads of UN and other partner agencies was convened by FAO in 2012 in order to initiate dialogue on partnership in the context aimed at enhancing delivery against shared goals. Examples of particular achievements in the area of partnerships over the year include:

- a) improved organizational culture with a proactive approach on partnerships, and a partnership network developed including private sector food associations, civil society organizations and livestock partnerships, as well as strengthened participation of different kinds of stakeholders in the Committee on World Food Security (CFS);
- b) in response to the Rio+20 Conference on Sustainable Development, FAO and WFP have joined with Bioversity, the High Level Task Force, the Governments of Spain and

² CL 144/3 and CL 145/3

Colombia and other stakeholders in preparing the Thematic Consultation on Food and Nutrition Security;

- c) FAO took the lead in implementation of the United Nations International Year of Cooperatives, and partnered with WFP and IFAD and others to help the focus on improving the lives of millions of smallholder farmers and their families;
- d) FAO secured the support of the UN High Level Task Force on the Global Food Security Crisis to support the decisions of the Committee on World Food Security. A Rome-based Secretariat will be created to assist the Task Force in supporting the outcomes and implementation of the Committee's decisions, in particular those related to the multilateral and UN organizations and the Secretary-General's Zero Hunger Challenge; and
- e) FAO is mobilizing partners in support of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, and is also assisting them to implement the Guidelines at country level.

II. Making a difference

13. This section assesses the progress during the first year of the biennium 2012-13 of each Strategic and Functional Objective in achieving the results set out in the Medium Term Plan 2010-13 (Reviewed) and Programme of Work and Budget 2012-13.³ Overall, the results show a slight improvement in performance compared to the previous Mid-term Review.⁴ The main challenges in meeting targets have centred on handling the impact on existing work plans of changing stakeholder expectations, as well as the impact of long recruitment times on the availability of technical skills in the field and in some cases changes in priorities.

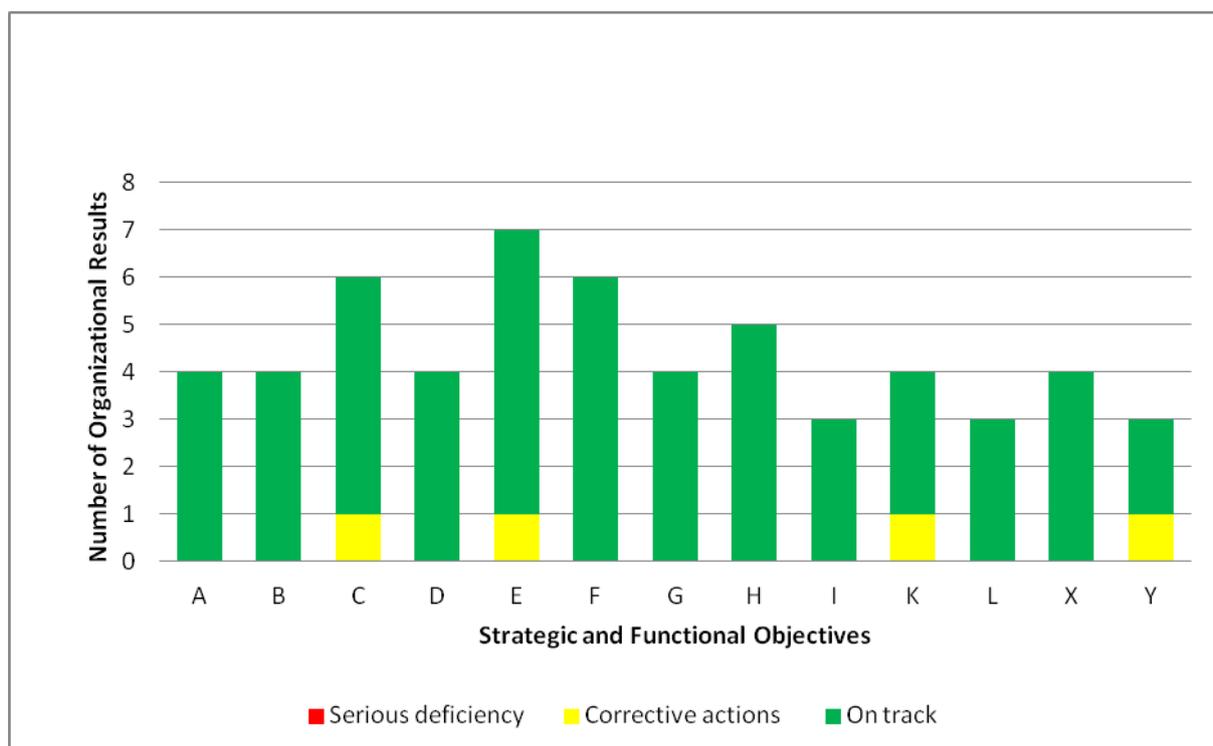
A. Overall progress

14. Figure 2 summarizes FAO's progress towards meeting the targets for Organizational Results under the Strategic and Functional Objectives, as laid out in the Medium Term Plan 2010-13 (Reviewed) and Programme of Work and Budget 2012-13. The assessment was reached by discussing, documenting and reviewing the delivery of planned achievements first at Organizational Output level by responsible staff and managers. The status was then summarized as being on track (green), corrective action (amber) and serious deficiency (red). Managers drew on the information thus provided and used a similar process to assess progress at Organizational Result level. Further information on the process adopted is provided in Annex 1.

³ C 2011/3

⁴ PC 106/7 – FC 138/6

Figure 2 - Progress towards achievement of Organizational Results by Strategic and Functional Objective



15. The Organization is maintaining steady progress and is monitoring potential problems. Based on current information, 52 of the 56 Organizational Results (93 percent) are on track to be achieved, while four (7 percent) require remedial action during 2013 to ensure that FAO meets agreed targets. None of the Organizational Results are considered to be at serious risk of not being met. This represents a slight improvement over the previous 2010 Mid-term Review, which found that 50 of the 56 Organizational Results were on target.

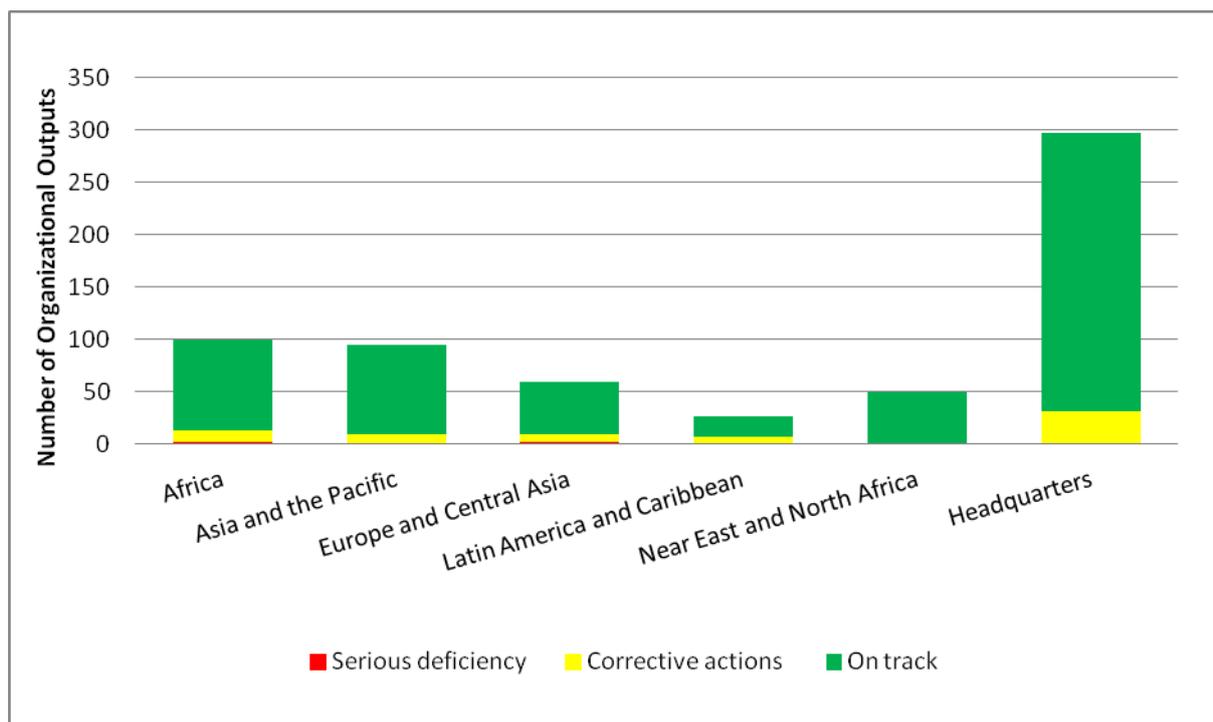
16. The four Organizational Results in need of remedial action represent 10 percent of all indicators. This is equivalent to the percentage of indicators reported as not being met in the 2010-11 Programme Implementation Report⁵ (17 percent), once adjusted for the 7 percent of indicators which were found not to be measurable. With a year to go before the end of the Medium Term Plan 2010-13 period, there is still a level of uncertainty on the actual percentage of Organizational Results that FAO will achieve.

Performance at regional level

17. Of the total of 639 Organizational Outputs included in the 2012-13 work plan, 348 (53.5 percent) are undertaken outside headquarters, mostly in the Africa and Asia and Pacific regions. In total, 11 percent of the Organizational Outputs have been rated as being in jeopardy or in need of remedial action, as shown in Figure 3 and elaborated section II.C.

⁵ C 2013/8

Figure 3 - Progress towards achievement of Organizational Results by regions



18. Headquarters and the decentralized network as a whole have a similar proportion of Organizational Outputs on track. However, there is some variation between the regions. Two of the five regions (Near East and North Africa, and Asia and the Pacific) recorded 90 percent or more of their Organizational Outputs as being on track. Latin America and the Caribbean had the lowest proportion of Organizational Outputs “on target” because data from the rollout of the Country Programming Frameworks led to some Organizational Output being de-prioritized.

Problems encountered

19. Whether in headquarters or the field, the most commonly cited reasons for difficulties in meeting expectations at the Organizational Result or Organizational Output level were:

- a) programme delays caused by the time taken to fill vacant posts and the lack of available technical capacity, particularly in regional offices (see for example Organizational Result C02);
- b) the evolving expectations of stakeholders (see for example Organizational Result E02) put budgets under pressure because existing commitments are brought forward or new work is created; and
- c) internal business improvement projects, such as the GRMS, have required a higher than expected support from administrative staff priorities causing work to be suspended or delayed (see Organizational Results K04 and Y03).

Remedial actions

20. FAO took progressive action, especially as part of transformational changes initiative to address these challenges, for example by transferring posts to the field and introducing measures to accelerate recruitment during 2012. Additional measures to be taken include setting targets for the elapsed time to recruit staff in the field and providing targeted support for resource mobilization to teams under pressure because of changing priorities or the consequences of unanticipated events.

B. Strategic and Functional Objectives

21. This section presents progress in achieving the Organizational Results by Strategic and Functional Objective. Further information on these objectives, including the detailed targets and the tools used can be found in Section IV of the Medium Term Plan 2010-13 (Reviewed) and Programme of Work and Budget 2012-13.

22. The narrative for each Organizational Result highlights the main achievements and is accompanied by a summary assessment of progress “on track” (green), “corrective action” (yellow) or “serious deficiency” (red). Where an Organizational Result needs corrective action or is seriously deficient, additional paragraphs explain the difficulties encountered and the remedial actions needed.

Strategic Objective A – Sustainable Intensification of Crop Production

Summary

23. SO-A comprises four Organizational Results and 15 indicators, all of which are on track to achieve their targets. The prime drivers of successes to-date have been cross-departmental cooperation and collaboration with a broad range of national, regional and international partners.

Progress towards established targets



A01 - Policies and strategies on sustainable crop production intensification and diversification

24. FAO is currently seeking to mainstream the “Save and Grow” approach to sustainable crop production intensification through the release of more than 20 evidence-based technical and policy guidance documents, as well as workshops in support of national and regional policies, strategies and programmes. The Committee on Agriculture reviewed progress and reaffirmed its support to sustainable crop production intensification and a more integrated cross-sectoral approach to production.

25. FAO has also developed methodologies to assess food losses and applying them in advising five African countries on food loss programmes. Work on this is expected to continue into 2013.

26. South-South knowledge sharing has formed a major part of the approach to the urban and peri-urban horticulture element of this Organizational Result. FAO is applying lessons learned in Africa on how this branch of horticulture can improve livelihoods, and the accessibility of affordable and nutritious diets to the development of regional strategies in Latin America and the Caribbean. Similarly, experience in Latin America is being shared with countries in the Caribbean.



A02 - Reducing risks from outbreaks of transboundary plant pests and diseases

27. Early warning systems established by FAO led to the quick and effective treatment of an outbreak of desert locust in Chad, Libya, Mali, Mauritania and Niger. During the year, FAO also strengthened regional cooperation and national locust management capacities during desert locust outbreaks in ten countries in the Caucasus and Central Asia. This is expected to continue during 2013 with work focused on improving contingency planning in the region.

28. Global exposure to the risks from outbreaks of transboundary pests and diseases continues to fall in line with agreed targets. FAO’s work to strengthen national capacities in surveillance and contingency planning in over 75 countries throughout the world has played an influential role.

29. FAO has continued to explore mechanisms to improve the ability of countries to participate effectively in the development of standards for the International Plant Protection Convention. Highlights during the year were the seven regional workshops attended by over 130 countries and further improvements in the online commenting system.

On track

A03 - Reducing the risks from pesticides

30. FAO has met the interim targets on pesticide risk reduction. This was largely the consequence of the revision to the International Code of Conduct on Pesticides and the opening of field projects to assist 33 countries to respond to changes in field practice (including on integrated pest management) that this revision entailed. During the year, FAO also helped 18 countries to establish regulatory mechanisms needed to meet the pesticide control standards of the Rotterdam Convention.

On track

A04 - Effective policies and enabled capacities for a better management of plant genetic resources for food and agriculture

31. The management of Plant Genetic Resources for Food and Agriculture is also continuing to improve. To this end, FAO has assisted 25 countries to develop national strategies, seed sector policies and training in the collection and conservation of plant genetic resources. FAO expects to see further improvements as it rolls out other tools and instruments, in particular: indicators and report formats to monitor the implementation of the Second Global Plan of Action; a programme of work to support participating entities in implementing the plan of action; and the release of additional technical and policy guidance.

32. The European Commission is providing more than USD 7 million to launch the third round of the funding cycle of the benefit-sharing fund of the International Treaty on Plant Genetic Resources for Food and Agriculture. The benefit-sharing Fund, also referred to as the “Leading the Field”, focuses on supporting initiatives that promote food security and crop adaption to climate change for vulnerable smallholder farmers.

Strategic Objective B - Increased sustainable livestock production

Summary

33. SO-B has four Organizational Results and nine indicators, all of which are on course to achieve their targets. The main focus of FAO’s work during 2012 has been to provide technical and operational assistance to help Member States to: (i) develop and implement immediate solutions to prevent or stop animal disease spread; (ii) better manage their animal genetic resources; (iii) provide accurate and timely statistics and analysis on animal stock, including geotagging; and (iv) identify alternative forms of animal feed. The strategy has relied heavily on advocacy and building partnerships, being transparent and collaborative, looking for and creating areas of common interest with key international partners and private sectors involved in the livestock sector.

Progress towards established targets

On track

B01 - Livestock sector contribution to food security poverty alleviation and economic development

34. Technical assistance was provided to countries particularly on Good Management and Animal Husbandry Practices. On the technical aspects of the livestock production and productivity, FAO has delivered better support to member countries on good management and husbandry practices in dairy, beef, small ruminant, poultry and pig production. Sustainable animal diets and feeding strategies were also the focus of the Organization as there is no safe food for human without having safe feed for animals. Other key areas where encouraging results have been achieved were the application of biotechnologies in animal production, animal welfare as a core component of a responsible livestock sector, and biosecurity for safe animal production.

On track*B02 - Reduced animal disease and associated human health risks*

35. FAO continued international cooperation and advocacy on the One Health global initiative with key partners, the World Organisation for Animal Health (OIE) and the World Health Organization as outlined in the progress report to the Programme Committee on the action plan for the prevention and containment of major animal diseases and related human health risks.⁶ The shift to One Health approaches has influenced work across FAO, both at headquarters and in the field, coordinated by a dedicated interdepartmental working group. Special focus was also given to supporting and encouraging private sector involved in livestock development, particularly networking and advocacy work through conferences and workshops.

On track*B03 - Better management of natural resources, including animal genetic resources in livestock production*

36. On the animal genetic resources side, work has continued on raising awareness and supporting countries in the implementation of the Global Plan of Action. 45 countries are preparing or have already prepared national strategies and action plans for their animal genetic resources, and about half of these are developing countries.

37. A new module was developed for the Domestic Animal Diversity Information System that records the location of different breeds and describes their production environments. This improvement to the global databank on animal breeds will allow countries to make more informed decisions on the management of breed diversity.

On track*B04 - Information systems to guide policy and practices in the livestock sector*

38. Policy analysis and formulation, mainly under the umbrella of the Global Agenda of Action in support of Sustainable Livestock Sector Development is on track, bringing on board many FAO stakeholders from the public and private sector. The Agenda focuses on improving the efficient use of resources in the livestock sector to support livelihoods, long-term food security and economic growth. FAO continues to provide countries with accurate livestock statistics for all the major species. Data is shared via the Global Livestock Information Systems and FAO's global information resource "data.fao.org", and re-presenting statistical data via interactive regional maps.

Strategic Objective C - Sustainable management and use of fisheries and aquaculture resources

Summary

39. SO-C comprises six Organizational Results and 17 indicators, 16 of which are on track and one requires corrective action. During 2012, FAO provided technical input on fisheries and aquaculture into a number of high-profile international meetings and associated reports such as Rio+20 and the UN General Assembly. In addition, FAO hosted the 30th Committee on Fisheries launching the flagship publication the State of Fisheries and Aquaculture (SOFIA) 2012, helping to cement FAO's leadership in the fisheries and aquaculture sector.

⁶ PC 110/2

Progress towards established targets

On track

C01 - Members and other stakeholders improve formulation of policies and standards concerning the Code of Conduct for Responsible Fisheries (CCRF) and other international instruments, as well as response to emerging issues

40. FAO contributed sections on oceans and small-scale fishing into several reports associated with high-profile meetings such as the Rio+20 outcome document, a report from the UN Special Rapporteur on the Right to Food to the UN General Assembly, and the FAO-International Labour Organization 'Good Practice Guide'. FAO's flagship report SOFIA 2012 was presented at the 30th Committee on Fisheries, and generated considerable media interest.

41. FAO is running a global consultative process to develop the international guidelines on Securing Small-scale Fisheries. FAO also joined in the global partnership for small-scale fisheries research initiative ("Too Big to Ignore") and further work is planned. Policy support was provided to Members to update the Code of Conduct for Responsible Fisheries. FAO also hosted the first part of a technical consultation on Flag State Performance which could result in new governance guidelines. Resources from the Global Environment Fund (GEF) will enable new work to focus on the emerging issue of Marine Areas Beyond National Jurisdiction. This work will continue next year.

Corrective action

C02 - Governance of fisheries and aquaculture has improved through the establishment or strengthening of national and regional institutions

42. FAO stepped up its collaboration with national and regional institutions and regional fishery bodies, UN agencies, and intergovernmental organizations. Work on gender mainstreaming throughout the fisheries value chain means that FAO's work is on track to achieve its gender equality targets within the fisheries and aquaculture sectors.

Challenges and remedial actions

43. The slower than anticipated progress on supporting the development and capacity of regional fishery bodies is the result of delays in the recruitment of programme staff in three regional offices to support these bodies and the consequent loss of momentum in institutionalizing their work and implementing of activities.

44. In Africa, a joint meeting is planned with all stakeholders to prepare an Action Plan to increase capacities of fisheries and aquaculture institutions. In the Subregional Office for Central Asia, the vacant senior post of Secretary of Regional Fisheries and Aquaculture Commission for Central Asia and Caucasus will be filled in the near future. In the Near East, the Secretariat for the Regional Commission on Fisheries will intensify efforts to raise awareness about fisheries and aquaculture priority issues in the region with a view to increasing the financial commitments and active participation from countries.

On track

C03 - Effective management of marine and inland capture fisheries by FAO Members and other stakeholders has contributed to the improved state of fisheries resources, ecosystems and their sustainable use

45. A Web-based toolbox for the implementation of the Ecosystem Approach to Fisheries (EAF) was launched to help fisheries managers and other users implement this approach, as part of ongoing efforts to develop networks on relevant technical issues.

46. FAO made use of extrabudgetary funding to increase capacity-building and implementation of the EAF. Fisheries management plans that integrate ecological, social and economic considerations were developed in 15 African countries for formal adoption by relevant institutions in the respective countries in early 2013.

On track

C04 - Members and other stakeholders have benefited from increased production of fish and fish products from sustainable expansion and intensification of aquaculture

47. Technical publications, tools and relevant backstopping were provided to countries, involving normative and field delivery on farming practices and technologies that ensure sustainable aquaculture growth. Assistance was also provided in developing aquaculture policies, strategies, plans and improved socio-economic benefits.

48. Products and services developed, included tools to guide planning and policy formulation, understanding the factors enabling or hindering aquaculture development in different regions, understanding the employment dimension of aquaculture governance amongst others.

On track

C05 - Operation of fisheries, including the use of vessels and fishing gear, is made safer, more technically and socio-economically efficient, environmentally-friendly and compliant with rules at all levels

49. FAO is on track in its implementation of projects designed to minimize the impact of fishing on the environment. The FAO-Global Environment Fund has enabled FAO to assist Indonesia, Papua New Guinea, Philippines, Thailand and Vietnam, and lessons learned from these projects are being applied in other regions.

50. Work to strengthen monitoring and control of fishing focused on Central America, Azerbaijan and Albania and through international networks and included the publication of the FAO/ILO/IMO Safety Recommendations to enhance safety at sea.

51. FAO developed and distributed to agencies supporting rural fishing communities new guidance on developing rural infrastructure and post-tsunami reconstruction. This also supported work on the International Guidelines on Securing Sustainable Small-scale Fisheries.

On track

C06 - Members and other stakeholders have achieved more responsible post-harvest utilization and trade of fisheries and aquaculture products, including more predictable and harmonized market access requirements

52. FAO's technical advice to Members and Committees such as Codex and other organizations focused on the development of standards, the reduction of post-harvest losses, fish technology and marketing trade and market access.

Strategic Objective D - Improved quality and safety of foods at all stages of the food chain

Summary

53. Good progress was made on the four Organizational Results for SO-D, with all 15 indicators on track to be achieved. The main focus of the SO remained in policy and standard setting, in particular supporting the Joint FAO/WHO Food Standards Programme (Codex) and providing Members with policy and technical guidance and support in the area of food safety and quality, where FAO country-level support concentrated on strengthening national food control systems, assuring food safety and quality along value chains and preventing and preparing for food safety emergencies.

Progress towards established targets

On track

D01 - New and revised internationally agreed standards for food safety and quality that serve as the reference for international harmonization

54. The Programme of the Codex Alimentarius Commission was implemented according to its strategic plan and programme for standard setting. The Commission continued its work on protecting

consumers' health and ensuring fair practices in food trade. It adopted 24 new or revised Codex standards and related texts, and set ceilings for the presence in food for more than 450 food additives, pesticides and veterinary drugs. A new Codex Web site has been developed to increase language coverage and improve the efficiency of document and information sharing.

55. FAO/WHO joint expert bodies provided scientific advice to countries on nanotechnologies and the detection and enumeration of the human pathogenic *Vibrio* spp. and to WFP and UNICEF on safety issues linked to their supplies. In terms of scientific advice on nutrition, an expert report on protein quality was completed to provide guidance for national dietary recommendations. Preparations have started for the International Union of Nutritional Science meeting in 2013.

On track

D02 - Institutional policy and legal frameworks for food safety/quality management that support an integrated food chain approach

56. Work is ongoing to strengthen policy level support for food safety programmes. For example, FAO has provided direct assistance to five countries to develop national food safety policies and an approach for collecting and analyzing information to support informed decision-making. Also, FAO has assisted 18 countries at national and regional levels in revising food legislation.

On track

D03 - Design and implementation of national and regional programmes of food safety and quality management and control according to international norms

57. FAO is working with national institutions in at least 27 countries to strengthen their technical capacities for designing and implementing food control programmes. FAO is developing a number of technical guidance documents, tools and training materials on various aspects of food control including food composition, labelling, food import inspection, slaughterhouse inspection, risk analysis and sampling.

58. The USD 9 million multidonor fund Global Initiative for Food-related Scientific Advice (GIFSA) facility was launched to meet the growing demand from countries for advice regarding Codex standards for food safety and international trade.

Strategic Objective E – Sustainable Management of Forests and Trees

Summary

59. SO-E comprises six Organizational Results with 18 performance indicators, all of which are on track to achieve their targets. FAO continues its responsibility as a neutral platform for global policy and debate on forestry, including hosting the successful 21st session of the Committee on Forestry and the Third World Forest Week.

Progress towards established targets

On track

E01 - Policy and practice affecting forests and forestry be based on timely and reliable information

60. National forest monitoring and assessment projects were completed in four countries in the year, bringing the total for the biennium to 16. Projects were initiated or ongoing in eight further countries, with an additional two completed and 13 ongoing under the Reducing Emissions from Deforestation and Forest Degradation (REDD) National Joint Programme umbrella.

61. A new long-term strategy for Global Forest Resource Assessments was finalized and endorsed by COFO. The first global remote sensing survey of forest land use change was finalized. Regional forest communicators' networks were established in Latin America, East Africa and in Asia and the Pacific. A similar network will be initiated in West Africa.

62. Other work concentrated on using new technologies including Web streaming, social media and new Web-based information products to reach more people with more timely and reliable information on forests, forest policy and practices, including major improvements in the use of new technologies. The 64th edition of the Yearbook of Forest Products was published, and a capacity building workshop for forest statistics was held in Central America. The State of the World's Forests

Corrective
action

unched during the 21st session of COFO in 2012 and widely distributed.

E02 - Policy and practice affecting forests and forestry are reinforced by international cooperation and debate

63. The Committee on Forestry in 2012 particularly strengthened linkages between the Regional Forestry Commissions and COFO. COFO delegates welcomed the FAO report State of the World's Forests 2012 which stressed the critical role of forests and forestry in sustainable development and a green economy. Progress was also made in fostering FAO's actions and international collaboration, including within the Collaborative Partnership on Forests, on major forest issues such as promoting sustainable forest management, forest financing, monitoring and assessment, and landscape restoration.

Challenges and remedial actions

64. Changes to the governing bodies timetable required bringing forward the 2014 meeting of the Committee on Forestry to an earlier date than had been planned. As a result, certain essential work supporting and leading up to COFO, including the Regional Forestry Commissions, will have to be anticipated from 2014 to 2013. Accommodating this extra work will require re-allocation of resources within SO-E. This could place at risk the achievement of the targets of the Organizational Results. Further, the strategic evaluation of FAO's role and work in forestry has highlighted the risk of marginalization of forest issues in the regional priority-setting process undertaken through the Regional Conferences, due to a traditional heavy agricultural focus. The Strategic Objective team is assessing funding alternatives for this additional unplanned, but essential work in 2013 so as to minimize its impact on the achievements of this Organizational Result. FAO will intensify efforts to strengthen linkages of the Regional Forestry Commissions with the Regional Conferences to address the concerns raised by the forestry evaluation.

On track

E03 - Strengthening forestry institutions and decision-making among forest stakeholders

65. FAO's work on strengthening forest institutions and improving participatory processes continued under the National Forest Programme Facility which completed its second phase and began a third phase in 2012. Technical support ensured that over 70 countries were helped to modify and improve their national forest policies and practices.

66. Other significant achievements in 2012 include: conclusion of the Forest Law Enforcement, Governance and Trade Support Programme (ACP-FLEGT) and launch of the EU FAO Forest Law Enforcement, Governance and Trade Programme (EU FAO FLEGT Programme), now with a global reach, as well as the launch of two outlook studies – one in North America and the other covering the

On track

E04 - Broader adoption of sustainable management of forests and trees

67. The adoption of good practices in forest health protection at country-level was advanced by a variety of techniques, in particular an interactive e-learning course which was developed and rolled out in regional workshops in Africa and South America. The 24th session of the International Poplar Commission was successfully organized and held by the FAO-hosted IPC Secretariat. Normative guidelines on agroforestry for policy-makers were finalized and a new thematic report on assessing

trees outside forests was prepared in the framework of the Global Forest Resources Assessment (FRA). Additionally, case studies on agroforestry were prepared in collaboration with 16 countries.

68. The number of large damaging fires (megafires) is increasing globally and challenging even some of the world's most developed and strongest fire management programmes. FAO is responding with the smart fire umbrella programme: *Managing Landscapes and Fires in a Changing Climate*, a USD 30 million, five-year global programme to strengthen countries' capacities to implement integrated fire management, reducing the negative impacts of wildfires on livelihoods, landscapes and the global climate and addressing the underlying causes of these megafires.

69. Regional fire research training was provided in North Africa and the Middle East. A new *Silva Mediterranea* working group on urban forestry was established. Support to community forest management was provided to partners under the FAO-Finnish project in Peru.

On track

E05 - Enhancing the social, economic and livelihood benefits of forests and trees

70. FAO leadership in strengthening sustainable investment returns from forestry continued in 2012 with the launch of new guidelines for use by countries and communities. Sustainable wood industries were advanced in Morocco, Ghana and the Balkans. In Europe, the annual *Forest Products Market Review* was published with a focus on carbon markets.

71. Work on partnerships focused on strengthening local-level partnerships for forest management and launching small and medium forest enterprise development, as well as partnerships between FAO and private-sector organizations. In this context, FAO worked in partnership with the Brazilian Pulp and Paper Association to hold a major event highlighting forests in the green economy at the Rio+20 Conference, and in Europe a partnership with the Confederation of European Forest Owners has been very effective in supporting private-sector development in South-East Europe.

On track

E06 - Realising the environmental value of forests and trees

72. Regarding FAO's contribution towards key environmental issues, the new FAO Wild advisory group was launched with strong country support, focusing on wildlife management. 70 country reports were received and analyzed for the *State of the World's Forest Genetic Resources* which will be finalized later in the biennium. Major strides were made in the area of drylands, particularly development of the Great Green Wall (GGW) for the Sahara and Sahel initiative. A new global action plan for forests and water was also launched. FAO continued to host the Secretariat of the Mountain Partnership (MPS). The 21st session of *Silva Mediterranea* was organized in Antalya (Turkey) in February 2012. The *State of Mediterranean Forests* was prepared and will be presented, along with a *Strategic Framework on Mediterranean Forests*, at the Third Mediterranean Forest Week in Algeria in early 2013. Five countries have used FAO guidelines on integrating climate change into national forest policy, 25 countries are promoting the value of forests and efforts to reduce deforestation through REDD+, and 70 countries have provided reports for the *State of the World's Forest Genetic Resources*.

Strategic Objective F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture

Summary

73. Strategic Objective F comprises six Organizational Results and 14 indicators, all of which are on track to achieve their targets. FAO continues its responsibility as a neutral platform for global policy and debate on natural resources management, particularly land tenure, water scarcity, climate change and knowledge in research and extension.

Progress towards established targets

On track

F01 - Countries promoting and developing sustainable land management

74. FAO's work on sustainable land management centred on capacity-building, technical assistance and working with partners to increase awareness of the inter-related issues of land, water and climate change adaptation, and thereby advance the adoption of FAO standards and guidelines for land resource databases, geospatial infrastructure and national strategies, plans and legislation on land use. FAO accordingly provided countries with direct technical assistance and training on sustainable land management/watershed management, territorial development, land cover change mapping and assessing land degradation.

75. Partnerships formed a core part of the strategy for this Organizational Result. During the year, FAO launched the Global Soil Partnership the World Agricultural Watch Secretariat. It also expanded the Globally Important Agricultural Heritage Systems programme and collaborated with the United Nations Convention to Combat Desertification.

On track

F02 - Countries address water scarcity and strengthen their capacities to improve water productivity

76. The focus of the team's approach combined increasing the world's knowledge base on global vulnerability to water scarcity and building capacity at country level. To this end, the team published papers on "Crop yield response to water", which includes the tool, AquaCrop, "Irrigation in Southern and Eastern Asia in Figures" and "Coping with water scarcity". Supporting this work, the AQUASTAT information system was updated, and is attracting the expected number of monthly visits. FAO also undertook regional training workshops were also held to introduce a methodology was developed for planning smallholder investments.

On track

F03 - Strengthened policies and programmes on biological diversity and sharing benefits from genetic resources

77. Work is on track for the 14th session of the Commission on Genetic Resources for Food and Agriculture. The pre-session documentation for Technical Working Groups on Animal and Plant Genetic Resources, as well as on Access and Benefit Sharing prepared by the team provoked productive debate and resulted in a large number of recommendations, likely to have a profound effect on global efforts in this area. Other activities supported work on Aquatic Genetic Resources, the State of the World's Forest Genetic Resources and the contributions of the interdepartmental working group on biodiversity to emerging international policy and practice on biodiversity in various international fora.

On track

F04 - Developing and applying at country level an international framework on land tenure

78. The performance target for this Organizational Result has been achieved. The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security were officially endorsed by the Committee on World Food Security on 11 May 2012 and received global recognition. FAO is a key player in the implementation of the Guidelines. It has launched a major fund-raising campaign with the aim of securing USD 20 million to translate these guidelines into action on the ground. A number of donors have already expressed interest in contributing. Work has now started to promote adoption of the guidelines at country level, by presenting them at international meetings, on Web sites, through publications/advocacy material and in workshops at country level.

On track

F05 - Countries have strengthened capacities to address emerging environmental challenges such as climate change and bioenergy

79. FAO's contribution towards the improvement of capacities to address climate change at country level focused on increasing the level of direct support to countries on Reducing Emissions from Deforestation and Forest Degradation+ (REDD+); developing a National Forest Monitoring System framework for UN-REDD and associated tools, methodologies and publications; completing the testing of Global Bioenergy Partnership indicators; and developing educational programmes on climate change for the junior farmer field school programme. This was supported by work at a global level, in particular preparing submissions and contributing to events of the United Nations Framework Convention on Climate Change, publishing a sourcebook on climate-smart agriculture and producing a new FAOSTAT database on greenhouse gases emissions.

On track

F06 - Improved access to and sharing of knowledge for natural resources management

80. Support and advice to 25 countries was provided on agricultural innovation systems, including extension, research and communication for development. A variety of delivery mechanisms were developed, for example FAO put in place a tropical agriculture platform; maintained and expanded the technologies and practices for small agricultural producers platform; finalized the virtual extension, research and communication network guidelines; facilitated access to scientific and technical information on agricultural innovation through the International System for Agricultural Science and Technology; and supported the continued expansion of the access to global online research in agriculture programme.

81. During the period, FAO also participated in the review of CGIAR research programmes and concluded hosting arrangements for its Independent Evaluation Arrangement Office in Rome. It supported the Global Forum for Rural Advisory Services and the Global Forum on Agricultural Research and successfully organized the Global Conference on Agricultural Research for Development 2012.

Strategic Objective G – Enabling environment for markets to improve livelihoods and rural development

Summary

82. Good progress is reported in relation to all four Operational Results. There are significant achievements reported in both analytical work and its application at field level across the priorities of smallholder productivity and integration into markets, price volatility and policy responses, foreign direct investments and the Agricultural Market Information System (AMIS). In only its first year of

operation, AMIS data and analyses helped to curb international price volatility and avert market destabilization reinforcing FAO's reputation as a global public resource.

On track

G01 - Analyses, policies and services for small producers

83. Demand remains strong for FAO's technical advice at country level in areas such as price volatility, smallholder productivity, rural employment policy and agribusiness development. FAO is on track to surpass its targets for the provision of agricultural market information and analysis, reinforcing its reputation as a global public resource in this field. In only its first year of operation, AMIS has already made a significant contribution to curbing international price volatility. AMIS data and analysis provided a clear picture of the state of world food markets allowing better-informed policy decisions to avoid further destabilization. AMIS users include governments, notably the G20 members, financial institutions and the international press. The system is also actively improving member countries' market information capacity so that the quality and timeliness of information provided is set to improve even further.

84. Work on price volatility and policies to sustainably increase smallholder productivity has been influential in important international fora, such as the G20. Work on smallholder productivity and integration into markets provided the basis for the interagency report to the G20 in 2012. Other major international outreach events include a Ministerial Meeting on Food Price Volatility in October 2012.

On track

G02 - Incorporating rural employment, land access and income diversification in policy development

85. A significant impact at country level can be seen for the work on rural employment. Policy and technical support was provided to a number of countries to integrate rural employment considerations into agricultural development strategies, policies and programmes.

On track

G03 - Increasing national capacities to analyze international trade, policies and rules

86. In the area of foreign direct investment, country case studies on the impacts of different forms of investments - land acquisitions and more inclusive alternative business models - addressed a significant knowledge gap for policy-makers and will provide an essential evidence base for the proposed consultation on principles for responsible agricultural investment in the CFS.

On track

G04 - Enhancing the impact of agribusiness and agro-industry

87. There was extensive support to strategy development and institutional strengthening of countries and regions for agribusiness development, as well as support to producers' organizations. Much of the work has benefitted from effective partnerships with a wide range of other relevant organizations and efforts to strengthen such partnerships have been a feature across all the Organizational Results.

Strategic Objective H - Improved food security and better nutrition

Summary

88. The multidisciplinary SO-H team has made good progress at country, regional and global levels towards achieving its five Organizational Results and 16 indicators. FAO worked with regional and national counterpart institutions to develop platforms for policy dialogue, knowledge exchange and learning and to strengthen capacities to formulate and implement policies and programmes

addressing root causes of food insecurity and malnutrition. The main highlights were the publication of a new Global Statistical Yearbook, the State of Food and Agriculture (SOFA) and the State of Food Insecurity in the World (SOFI), in addition to reports by the Global Information and Early Warning System. There is evidence that these reports have had a significant influence on the global policy debate.

Progress towards established targets

On track

H01 - Policies and programmes that address the root causes of hunger, food insecurity and malnutrition

89. Progress towards this Organizational Result is on track. FAO provided food security and nutrition policy and programme support at country level in all regions and in support of various regional organizations. Policy consultations on high and volatile food prices, in follow-up to those held in 2011, took place in twelve regions and subregions and in several countries, including five in Asia and Pacific and two in Africa. These were held in collaboration with the relevant Regional Economic Integration Organizations and regional development banks. FAO furthermore designed and disseminated new tools, methods and innovative ways in capacity development for policy and programme monitoring and impact assessment, including at country level.

On track

H02 – Member countries with strengthened food security governance

90. The Committee on World Food Security has strengthened food security and nutrition governance at the global level, while the programme on the progressive realization of the Right to Food worked on governance mechanisms also at regional, country and local levels. The Committee developed new governance materials, including the Global Strategic Framework for Food Security and Nutrition. FAO provided legislative and advisory assistance in food security and nutrition governance to several countries to strengthen their legal frameworks for natural resource management.

On track

H03 – Country-level capacity to address nutrition concerns in food and agriculture

91. FAO has made good progress towards achieving HO3 indicated targets. The Programme Committee approved FAO's nutrition strategy, which provides guidelines on integrating nutrition into FAO's work in general and into agriculture sector interventions in particular. Nutrition objectives are incorporated into FAO's Country Programming Framework for targeted countries in order to strengthen their capacity to address nutrition concerns. Technical papers advocacy and policy briefs produced by FAO have provided a clearer explanation of how nutrition, food and agriculture and education are linked together. Along with technical guidelines, they have provided a sound basis for integrating nutrition objectives into development frameworks, policies, strategies, plans and programmes by member countries and other stakeholders.

On track

H04 – Better data and statistics for food security and better nutrition at country level

92. FAO is on course to meet the targets for this Organizational Result having assisted and trained national statistical systems to collect and disseminate food security information, based on FAO methodologies and standards. In support of this activity, FAO also launched during the year the Global Strategy to Improve Agricultural and Rural Statistics by organizing the first meeting of the Agricultural Statistics Working Group. This USD 83 million project has USD 41 million already committed from a variety of private sector and governmental resource partners. The Strategy aims to improve developing countries' capacities to produce and use agricultural and rural statistics for more

effective food security, sustainable agricultural and rural development policies. FAO also issued a revised methodology for estimating the prevalence of undernourishment, publishing the new estimates in the State of Food Insecurity 2012. Lastly, it published a variety of other statistical materials, in particular the new Global Statistical Yearbook, SOFA and SOFI.

On track

H05 – Knowledge sharing of FAO’s analytical and information products on food security, agriculture and nutrition

93. Progress under H05 is on track to meet the targets for Web visitors, publication of flagship reports and the number of institutions using information or knowledge management tools or services. Particular achievements include the launch of the annual flagship publications (the State of Food and Agriculture and the State of Food Insecurity in the World). These publications attract a high level of global interest and are cited frequently in academic, policy and other journals. The global perspectives team has strengthened its modelling capacity to improve the scenario analysis for the Agriculture Towards 2050 report. Under the Global Information and Early Warning System, regular food security monitoring reports, four issues of Crop Prospects and Food Situation and regular Country Briefs were produced attracting large media coverage. The two-year target of reaching 5 million visitors per month to the FAO Web site was achieved as at November 2012.

Strategic Objective I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies

Summary

94. Commitments related to SO-I’s three Organizational Results and nine indicators have been achieved. FAO’s emergency response and risk management activities were implemented in over 60 countries with more than USD 365 million delivered. The largest beneficiary of voluntary contributions is the Somalia programme, with USD 100.9 million in new approvals from various sources. Resources have been used mainly to enable drought-affected households to restore the agricultural and livestock production. FAO enhanced institutional and technical capacities in disaster risk reduction planning and implementation through capacity-building and communication for development strategies. Linking the ongoing and the new Strategic Thinking Process on risk reduction and crisis management, an innovative approach for common humanitarian and development strategic programming was developed for the Sahel food and nutrition security crisis, focusing on increasing the resilience to shocks and crisis. A new integrated emergency and development business model transferred responsibility for managing the response to most emergencies to country offices while headquarters remains accountable for humanitarian coordination, policy, early warning and the management of the most complex and severe disasters. Programming for transition is being supported through capacity-building for FAO decentralized offices to enhance the integration of risk and disaster management priorities into the Country Programming Framework.

Progress towards established targets

On track

I01 - Better preparedness and integration of risk prevention and mitigation into policies, programmes and interventions

95. FAO used capacity-building and communication for development strategies to strengthen institutional and technical capacities in disaster risk reduction planning and implementation. It also updated and consolidated technical guidelines and standards (e.g. livestock emergency guidelines and standards, drought management, good practices for disaster risk management and resilience) and delivered the related training in 22 countries.

96. The publication Resilient Livelihoods promoted FAO’s framework programme on disaster risk reduction for food and nutrition security. Better integration of the three emergency prevention systems for animal health, food safety and plant protection led to the One Health approach, a wide

multidisciplinary approach initially started by animal health, which now encompasses crops, food safety, socio-economic, livelihoods, natural resources and other disciplines. Early warning systems were further strengthened by collaboration with 11 global partners.

On track

I02 – Effective food and agriculture-related response to crises and emergencies

97. To make food and agriculture responses to disasters and crises more effective, FAO established the new integrated emergency and development model in which country offices are responsible and leading on project management, while regional offices are providing immediate response and operational backstopping. Headquarters will continue its support role to ensure food security cluster coordination, liaison and humanitarian policy, early warning crisis management, advocacy and capacity development.

98. FAO's emergency response programme continues to have significant activities in more than 60 countries for a value over USD 350 million. FAO also supported over 30 countries through the global food security cluster and the food chain crisis management framework. Dedicated multidisciplinary teams were set up to provide coordinated responses to the Sahel (including the desert locust infestation) and Syria through national, regional and global planning and action.

99. To support successful decentralization, FAO is improving capacities and initiated the establishment of a corporate knowledge management system for disaster risk management. Technical guidelines for seed fairs, cash transfer and vouchers, as well as good practices documentation in relation to gender and nutrition were disseminated. All these documents and practices will be further promoted by the introduction of the practitioner's disaster risk management Web portal for food and nutrition security in 2013.

On track

I03 - Improved transition and linkages between emergency, rehabilitation and development

100. FAO identified good practices and lessons learned that highlight its comparative advantage on FAO's work on transition (from crisis to development) and on good practices for food and nutrition security. Building on this study, a guidance note was developed on transitional programming and supported interagency collaboration on early recovery and transition within the United Development Group-Executive Committee on Humanitarian Affairs addressing transition situations and FAO's involvement in the New Deal for Engagement in Fragile States. Plans to roll these good practices out in targeted countries are being drawn up.

Strategic Objective K – Gender equity in access to resources, goods, services and decision-making in the rural areas

Summary

101. SO-K consists of four Organizational Results and seven indicators. All indicators are on course to achieve their target with the exception of two under K04. For these indicators, work on developing monitoring systems has been put on hold until the lines of accountability and reporting under the new Strategic Framework have been formalized. In approving the PWB 2012-13, the Conference requested an increase to the budgetary allocation for Strategic Objective K (Gender) to bolster FAO's work on gender equality.⁷ In the Adjustments to the Programme of Work and Budget 2012-13⁸ an additional USD 2.7 million was allocated to SO-K through an across-the-board contribution from all departments and offices to restore gender resources in the regions and ESW.

⁷ C 2011/REP paragraph 96 b)

⁸ CL 143/3 paragraphs 18-20

Furthermore, departments and offices were being encouraged to formulate contributions, with an aggregate target of USD 2.5 million, to the Organizational Results of SO-K during the 2012-13 work planning exercise.

102. The incorporation of gender and equality in key FAO publications such as the State of Food and Agriculture and various capacity development activities has enabled FAO to strengthen the capacity of member countries in policy analysis and evidence-based decision-making. In addition, FAO has helped improve the understanding of rural gender equality and rural women's empowerment in UN system-wide programming as a result of its substantive contributions to UN policies, platforms and joint initiatives.

Progress towards established targets

On track

K01 - Rural gender equality in UN policies and joint programmes for food security, agriculture and rural development

103. FAO is making good progress in achieving its targets to assist countries to develop gender-sensitive UN joint programmes and to include rural gender issues in their programmes. This has been largely facilitated by interagency work. An interagency report on rural women and the Millennium Development Goals led by FAO has helped to increase global understanding of the importance of focusing on rural areas and women. FAO interventions resulted in the formulation of the UN Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women. This proposed five-year USD 35 million global programme spearheads a comprehensive UN-system response in support of rural women's economic empowerment through joint actions of four UN agencies (UN Women and the Rome-based agencies).

104. FAO's successful advocacy and liaison work further resulted in the decision of the Convention on the Elimination of All Forms of Discrimination against Women to hold a general consultation on creating a mechanism to advance women's rights and hold governments accountable for addressing critical issues faced by rural women.

On track

K02 - Capacity development in gender and agriculture, food security and rural development

105. FAO reviewed its capacity development approaches and materials related to gender equality, and developed an internal strategy to assess client demand, delivery options and mechanisms, viability, and cost implications. Based on lessons learned in gender and land governance, FAO developed training materials to assist member countries in implementing the gender-related aspects of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests.

106. FAO conducted capacity development activities on gender statistics with member country institutions, including a workshop for national statistics offices in the Central Asia and Europe region, and 11 East and Southeast Asian countries. FAO also published a series of capacity development materials to improve the quality of governmental analyses of gender equality and women's empowerment, such as the pocket guide on gender issues in water resource management and a toolkit on gender equality in territorial approaches.

On track

K03 - Gender-sensitive, inclusive and participatory governmental policies in agriculture and rural development

107. Gender perspectives were incorporated in FAO knowledge products and policy-support materials such as the State of Food and Agriculture 2012 and State of Food Insecurity 2012. FAO strengthened the capacity of seven member countries and two major regions to reduce gender disparities in rural employment and improve working conditions of female agricultural workers;

address gender inequalities in land-related agricultural investment; and promote the generation and use of gender-relevant statistics in agriculture.

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K04 - FAO management and staff commitment and capacity to address gender dimensions

108. FAO's Policy on Gender Equality has strengthened the Organization's work on gender equality in agriculture and rural development by providing guidance and mechanisms for accountability, planning, monitoring and reporting. The gender focal point network is becoming more embedded in FAO's ways of working and resulted in 43 percent of FAO units reporting on their gender-related activities against the target of 50 percent for 2013. Nine divisions and offices completed gender stock-taking exercises which served to raise awareness, develop capacities and establish baselines. Once the transformational change process is completed and units have clear mandates and responsibilities, gender action plans can be developed to carry out gender equality activities also in line with the new Strategic Objectives. In order to meet the UN system-wide requirements on gender equality and empowerment of women, as well as the standards of the Gender Equality Policy, an oversight mechanism still needs to be established once the transformational change process settles.

Challenges and remedial actions

109. Based on the transformational change process some planned activities are delayed, in particular the establishment of a monitoring mechanism to meet the requirements of the UN Sector Wide Agricultural Programmes and FAO's Gender Equality Policy.

110. Once all divisions have clear mandates and responsibilities, FAO will provide technical support to those offices and units to develop their gender action plans, and the oversight mechanism can be set up. On the Agriculture Sector Wide Approach, FAO will renegotiate the expected outputs, indicators and targets.

Strategic Objective L - Increased and more effective public and private investment in agriculture and rural development

Summary

111. Good progress was made towards increased and more effective public and private investment in agriculture and rural development under the Organizational Results. In 2012, the sharp increase in investment flows, together with the high value of the investment portfolio supported by FAO, indicated a growing demand for FAO services by member countries, international financial institutions and other partners. FAO supported member countries in partnership with international financial institutions and other donors, including the Global Environmental Facility to increase investments in food and sustainable agricultural and rural development in more than 40 countries reaching almost USD 2.8 billion in investments. Overall, capacity development and utilization of national experts progressed in line with expectation.

Progress towards established targets

On track

L01 - Food and sustainable agriculture and rural development inclusion in investment strategies, policies, as well as national and regional plans and frameworks

112. FAO is making steady progress in its work for food and sustainable agriculture and rural development investment strategies and policies to be better represented in national and regional development plans. In 2012, FAO's flagship publication the State of Food and Agriculture focused on investment in agriculture. Its conclusions (in particular that farmers, the majority of whom are smallholders, will remain the main investors in agriculture) and recommendations are changing FAO's and global strategies to investing in food and sustainable agricultural and rural development.

113. In more than 86 countries, FAO provided policy advice, implemented sector and feasibility studies and supported development of national investment strategies and plans, notably in support of the Comprehensive Africa Agriculture Development Programme and investment enabling legislation. This work catalysed investments by the World Bank and IFAD in 55 countries (surpassing the four-year Medium Term Plan target). In addition, the share of agriculture in official development assistance, one of the global level indicators for increased investment in food and agricultural development, reached 8.3 percent in 2010 versus a target of 7.5 percent (in the four-year Medium Term Plan). Lastly, FAO completely revised the FAOSTAT domain on country investment profiles by integrating five investment datasets - official development assistance, government expenditure to agriculture, capital stock estimates, foreign direct investment and bank credit to agriculture.

On track

L02 - Public and private sector organizations' capacity to enhance the sustainability of food and agriculture and rural development investment operations

114. Implementation of this Organizational Result is on track to meet or exceed the target for national consultant ratios and satisfaction levels. FAO has developed and upgraded tools and guidance materials in key investment themes, ranging from sector-wide approaches, to local investment appraisal, and provided related training often through regional partnerships. E-learning approaches are increasingly championed. Knowledge products and guidance materials on agribusiness and agro-industries have now been complemented with country level support. Cross-sectoral expertise has been brought to bear on developing guidance materials to improve investment in specific areas, for instance in nutrition, social protection and climate change. FAO has continued its in-country capacity development support for food security and nutrition strategies and programmes, and the South-South cooperation programme. In the context of FAO's partnerships with international financing institutions, FAO has capitalized on opportunities for on-the-job training and peer learning for counterparts. This is complemented by comprehensive training on investment projects in Africa and Asia providing targeted support through a variety of modalities in response to capacity assessments.

On track

L03 - Quality assured public/private sector investment programmes

115. The rolling four-year average of investment significantly influenced by FAO now amounts to USD 3.8 billion per year, 3 percent more than the four-year Medium Term Plan 2010-13 target of USD 3.7 billion. The diversified portfolio focuses on natural resource management, agricultural productivity and value chain development, with a particular emphasis on resilience-enhancement in countries prone to drought and recurrent natural hazards, such as the Horn of Africa and the Sahel.

116. The Global Environment Fund portfolio is growing steadily with 38 ongoing operational projects valued at USD 112 million from GEF and USD 240 million in co-financing from governments and various partners such as bilateral donors, international financial institutions, other UN agencies, regional/subregional organizations, NGOs and the private sector. There are a further 25 project proposals estimated in value at USD 99 million from GEF and USD 482 million in co-financing. These funds are being applied in all regions and across all priority areas for GEF – biodiversity, climate change, adaptation and mitigation, chemicals management/persistent organic pollutants, land degradation and international waters.

117. FAO also advised countries and international financial institutions on project design in order to improve investment quality, coordination and development effectiveness. In this, FAO has placed particular emphasis on the representation of social and gender aspects in investment projects.

Functional Objective X - Effective collaboration with member states and stakeholders

Summary

118. Functional Objective X comprises four Organizational Results and 28 performance indicators, all of which are on track. The Objective covers four sets of services which, taken as a whole, ensure that FAO mobilizes and manages its resources wisely, works coherently at the national, regional and international level and delivers results expected by Members.

On track

X01 - Effective programmes addressing members' priority needs developed, resourced, monitored and reported at global, regional and national levels

119. FO-X1 comprises seven indicators, all of which are on track to achieve their targets. Steady progress was made for the effective implementation of the results-based management in FAO. The Strategic Thinking Process resulted in a simpler, more focused set of five Objectives. In support of this, a results-based management and monitoring reference group was set up. This process helped the Organization to formulate the new MTP/PWB, and is helping accelerate the integration of results-based management into FAO's culture.

120. Good progress was also made on the global rollout of the Country Programming Framework for FAO's country offices. This work is being undertaken in close coordination with the launch of the new Project Cycle Guide. The Guide supports FAO's approach to country programming as projects are the main means through which CPFs are implemented at country level. It better positions FAO to meet international standards on development effectiveness, achieve projects' strategic focus and support effective country programming, and more generally, the decentralization process and clearer accountability. The Regional Offices in Africa, Asia and the Pacific and Latin America have organized several capacity development events involving many key staff at regional, subregional and country level, leveraging the Effective Country Programming (ECP) Learning Programme. The training focused on CPF formulation, resource mobilization and project cycle and included the participation of national counterparts, where relevant.

121. In addition, new procedures have been developed and implemented for the selection and succession planning of FAO Representatives, and all regional offices have identified regional priorities. In addition, good progress is being made to develop FAO's first system for benchmarking decentralized offices performance management.

122. Resource partners' interest in supporting FAO's programmes remains strong. The Organization is on track in mobilizing the resources necessary to deliver its programme of work, both in terms of voluntary contributions and in kind (South-South cooperation programmes). Several regions have developed regional resource mobilization strategies.

123. The number of requests for policy assistance from headquarters and decentralized offices is in line with what was planned.

On track

X02 - Effective and coherent delivery of FAO core functions and enabling services across Organizational Results

124. The Organizational Result has five indicators, all of which are on track. The indicators measure interdepartmental working and the application of FAO's strategies and policies on information, knowledge management and statistics, information and communication systems and capacity development.

125. The delivery strategy for the new Strategic Framework is based on matrix management principles. Together with strengthened approaches to accountability and internal control, these principles will provide the organizational incentives for greater multidisciplinary and cross-departmental work, thereby reducing the harmful effect of silos.

126. FAO work on statistics and information and knowledge management was strengthened by five initiatives: (i) a new function of Chief Statistician was created to give statistics the corporate level visibility; (ii) the allocation of roles and responsibilities for knowledge management reorganized and rationalized as part of transformational changes programme; (iii) an interdepartmental working group on statistics was created to oversee the implementation of FAO's first corporate statistics work plan and seven new corporate statistical standards; (iv) FI statistical data sets were successfully incorporated in the statistical data warehouse, along with the principal FAOSTAT datasets; and (v) tools, guidelines and information sessions on planning, marketing and copyright were updated.

127. On information and communication technologies, IT hosting services were expanded to support major new applications, including meeting the requirements for the Global Resource Management System, upgrading the corporate data warehouse and deploying a central database to manage more than 60 information systems. The Chief Information Officer Division improved its services by providing country offices with real-time local support and establishing new user support mechanisms. It also improved telecommunication connectivity in 72 country offices and provided video conferencing facilities in 70 offices.

128. Further advances were made to mainstream capacity development in FAO's activities by incorporating core principles and practice into FAO procedures (e.g. CPFs) and by providing training and country level advice. These efforts were supported by a targeted high-level policy learning programme in nine countries with the results made available on a dedicated Web site.

On track

X03 - FAO's activities enhanced through effective corporate communication and advocacy, key partnerships and alliances

129. All of the eight targets on this Organizational Result are expected to be achieved.

Partnerships

130. FAO reviewed and revised its practice on partnering to ensure that it meets the needs of the new Strategic Framework. FAO's new approach to partnerships was successfully applied, including in intergovernmental and UN system activities, for example in the preparations for the Rio+20 Conference and the UN's comprehensive policy review. Cooperation among the Rome-based agencies remains a corporate priority, bringing to bear the comparative advantages and collective knowledge of the three organizations to collectively raise awareness on the crucial importance of agriculture, food security and nutrition issues for sustainable development. This has resulted in joint contributions to inter alia the Rio+20 Conference, the G20 Summit and currently in the post 2015 agenda process.

131. Partnerships with UN agencies and other bodies were strengthened. In Africa, collaboration continued with the African Union, regional economic communities and other UN agencies. New partnerships were also formed with the private sector, civil society, universities, foundations and NGOs. In Asia, collaborative work and new projects were initiated among international financing institutions, targeting six priority countries (Bangladesh, Cambodia, China, India, Lao PDR and Nepal).

132. FAO's liaison offices continue to strengthen their work with regional and international bodies. For example, the Liaison Office in Washington established nine new partnerships following its revitalized World Food Day campaign.

Communication

133. The communications function supported the Office of the Director-General, technical departments and decentralized offices to communicate FAO's key messages to new and existing partners using traditional and social media. FAO employed social media channels to identify, attract and engage key constituencies. FAO's Web site obtained a monthly average of 4,531 million visits per month which already exceeds the target for the biennium. Outreach campaigns and promotional events, such as the Professional Football against Hunger programme are on track to achieve agreed targets. Notably, the global World Food Day 2012 communication campaign recorded 107

observances, which is well on track for its target of 140 by 2013. During 2012, transformational changes led to the creation of a dedicated group in OCP to handle Internet and internal communications. A new Intranet site was launched which provides a unified resource for all employees and a new external Web site is under development. A new communication strategy called “FAO as One” is under development to communicate FAO’s new Strategic Framework to internal and external audiences. A Web strategy has also been initiated to streamline and build consistency across FAO’s Web presence.

On track

X04 - Effective direction of the Organization through enhanced governance and oversight

134. All FAO Regional Conferences progressed as planned with high levels of participation particularly from senior officials. In addition to regional priorities, the issue of governance was also discussed. From 2012, civil society organizations became formal participants in Regional Conferences. Two meetings of Regional Conference Secretaries took place during the year to further refine procedures.

135. In the Regional Office for Africa, the oversight and coordination function focused on strengthening the decentralized network and closely monitoring the integration of emergency and development activities. In RNE, management and administration focused on Human Resources, including review of the skill-mix and filling of vacant posts at all levels.

136. The Office of the Inspector General implemented more than 75 percent of the activities planned for 2012 under its biennial risk-based audit plan. Primary focus was on: (i) professional recruitment; (ii) management of the Technical Cooperation Programme; (iii) the Horn of Africa programme with focus on Somalia; (iv) IT project management; (v) the Global Resource Management System and IPSAS implementation; and (vi) the decentralization of the TCE Division. In total, 31 audit reports and 26 investigation reports and memoranda were issued. 88 complaints of wrongdoings were closed.

Functional Objective Y - Efficient and Effective Administration

Summary

137. Two of the three Organizational Results for Functional Objective Y are on track and one (Y03) needs corrective action in order to meet its targets by the end of the biennium.

138. During 2012, USD 19.2 million was released from FO-Y for other corporate priorities as a result of transformational changes, including the critical review of posts and efficiency savings from travel, records management and procurement related innovations. The new Global Resource Management System was launched on time and within budget. This new system constitutes a step change in the application of financial and other controls across FAO, especially as regards the quality and timeliness of financial information, and represents a major milestone achievement in the implementation of the International Public Sector Accounting Standards.

139. For Y03, where progress towards achieving the targets in the Medium Term Plan has been less than expected, remedial measures have been identified and are in place.

On track

Y01 - Corporate administrative services

140. FAO is continuing to streamline its administrative procedures to deliver better value-for-money, especially as regards reducing costs and better serving clients’ needs. The six main areas of results in 2012 included: (i) further decentralization of the procurement function and empowerment of country offices, including outposting of additional procurement officers; (ii) strengthening and achieving savings from a common procurement team for the Rome-based agencies; (iii) launching the

preferred hotel programme for travel - together with other Rome-based agencies - with significant cost reductions; (iv) improving cash flow by more rigorously following-up on prepayments; (v) establishing a bilingual (English/French) training centre in the Regional Office for Africa; and (vi) reducing mail and pouch costs.

141. A priority for 2013 will be to further rollout measurement mechanisms in the service level agreements, restricting the application of this technique to the functions where it is most likely to add value.

On track

Y02 - Enterprise resource planning and management information systems

142. FAO's new Global Resource Management System (GRMS) went live on time in November 2012 and within budget, and has been rolled out to seven pilot locations and in all the regions. The support structure in place will be expanded to cover decentralized offices. The new system will strengthen financial and operational controls, particularly in the field, by improving management of travel and on staff human resources, standardizing bank reconciliation procedures, providing essential receiving and asset functionality to support future IPSAS compliance, increasing the range of budget holder reports and introducing a new tool to monitor the financial closure of projects. A more comprehensive report on GRMS is provided in document FC 148/13.

143. The FAO reform and implementation of the Immediate Plan of Action were amongst the first work areas addressed by the Director-General in January 2012 when he announced a new direction for IPA implementation, based on the commitment to accelerate conclusion of the reform process yet ensuring its full and successful conclusion. To this extent, a benefits realization initiative has been launched to highlight the major benefits that have been achieved as a result of implementing the IPA and assess how these benefits have changed FAO and made a significant and positive impact to the Organization. Further details are contained in document C 2013/26.

144. Phase 1 of the Records Management Modernization Project was also completed on time and within budget during 2011, delivering planned and recurrent savings of about USD 2.5 million.

Corrective
action

Y03 - Human resources management

145. Progress is being made to meet the targets in the Medium Term Plan in many areas of human resources management. For example gender targets are on track to be fully achieved or exceeded and FAO is currently ahead of its geographic representation target, with the ratio of equitably-represented countries increasing from 61 percent in December 2009 to 71 percent as at December 2012. HRMS phase I was completed at the end of 2011 in conformity with agreed timelines and budget. PEMS was rolled out to all staff in 2012 as the official evaluation framework.

146. Concerning staff development, participants on average report 85 percent satisfaction with the programmes delivered and some 50 percent of targeted staff at P-5 to D-2 level have attended one or more of the core management and leadership courses. Lastly, a new learning platform was launched in July 2012, which offered a harmonized e-learning curriculum, to all employees irrespective of their duty station.

147. Other priorities for human resources work did not experience good progress during 2012. Areas requiring particular recovery work during 2013 include: (i) reducing recruitment timeframes through the expansion of i-Recruitment to cover senior-level and extrabudgetary professional posts; (ii) establishing an HR partnership framework; (iii) developing generic job profiles; (iv) implementing Phase II of the competency framework project; and (v) designing a workforce planning framework.

148. A planned customer satisfaction survey on HR matters was not undertaken in 2012. During this year of transition and structural changes, a 'client satisfaction' survey was designed to assess 'business as usual' performance that would have not accurately reflected client satisfaction levels. The

survey has therefore been postponed to the end of the current biennium in 2013. Further information is contained in document FC 148/12.

Challenges and remedial actions

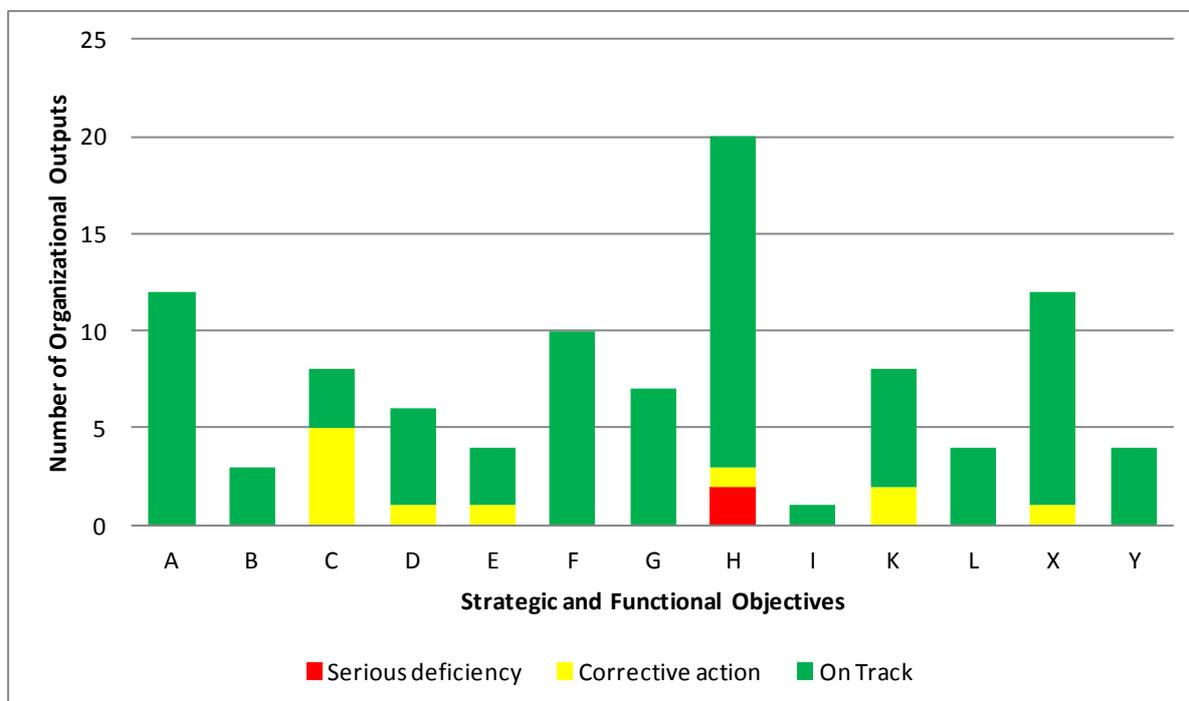
149. Difficulties in meeting targets, were caused by three main factors: (i) the implementation of GRMS, which required a higher than anticipated level of support from corporate service units and decentralized offices; (ii) an underestimation of the technical and administrative complexity of some change initiatives; and (iii) the reorganization of the human resources function into the Office of Human Resources, which focuses on HR strategy, policy and senior recruitment, and the Human Resources Support Service, responsible for operational HR services. To address uneven progress in implementing service level agreements, each CS administrative unit will review all SLAs and feedback mechanisms and will report regularly on progress, undertake targeted training and meet to exchange experience and lessons learnt. Human resources work plans are being revised to reflect structural and accountability changes, and the division of responsibilities between two offices. These processes are being supported by a review of priorities to ensure targets are met and resources allocated appropriately.

C. Regional dimensions

150. Decentralization and performance of the decentralized office network has received particular attention in 2012. Accordingly a dedicated section is included to provide an assessment of regional performance concerning Africa, Asia Pacific, Europe and Central Asia, Latin America and the Caribbean and the Near East.

Africa

Figure 4 - Progress towards achievement of Organizational Outputs in Africa



Summary

151. Performance of the Regional and Subregional Offices in Africa was positive in 2012. In total, 86 of the 103 Organizational Outputs (83 percent) were on track for completion. Delays in filling

vacant posts and resource constraints caused 11 Outputs to be rated as corrective action required and a further two Outputs as having serious deficiencies.

Progress

152. During 2012, the Regional Office for Africa made major programmatic advances in three main areas: forest management, climate change and plant genetic resources.

Forest management

153. In 2012, FAO supported member countries and regional economic communities to formulate and implement improved strategies, policies and legislation on forest management. The main achievements were:

- a) assisting the Economic Community of West African States to develop a draft Convergence Plan to improve legislation in the forestry sector;
- b) preparing global strategies and implementation plans for the Great Green Wall for the Sahara and the Sahel Initiative in eight countries (Burkina Faso, Chad, Djibouti, Ethiopia, Mali, Niger, Nigeria and The Gambia);
- c) developing and publishing in English and in French technical guidelines on institutionalizing and implementing community-based forest management in sub-Saharan Africa;
- d) strengthening technical capacity on forest management and forest law enforcement governance and trade in eastern Africa, and to respond to invasions of alien species in forestry in southern African countries; and
- e) building capacity in forestry management and governance in Madagascar, including providing targeted policy advice on illegal logging.

Land and water management

154. Land management was a major theme of the work undertaken in East Africa. In this area, FAO helped formulate strategic investment frameworks for sustainable land management and updated the geospatial database, producing four natural resource maps. The region also created networks and platforms on sustainable land management covering the whole Africa region.

155. Sustainable and effective management of wildlife formed a component of the region's approach to land management, as well as other priorities. For example, during the year, regional teams prepared a feasibility study for communal game ranching in Zimbabwe. This innovative project is currently being considered by donors for extrabudgetary funding. The region also developed and successfully implemented in southern Africa a human-wildlife conflict mitigation toolkit and a system for reporting and monitoring minimum standards for frontline safety.

Climate change

156. Work on climate change successfully addressed four priorities: (i) mainstreaming climate change and adaptation strategies in agriculture and food security policies and strategies; (ii) establishing a secretariat for the Global Water and Adaptation Alliance; (iii) compiling and publishing best practices and policy options for water scarcity management; and (iv) preparing a Strategic Action Plan for Integrated Water Resources Development covering southern Africa.

Other activities

157. Other significant achievements by the region over the year included:

- a) the identification and dissemination of best practices for plant genetic resources for food and agriculture and seed issues in southern Africa;
- b) the generation of advice and lessons learned on the rehabilitation of over-exploited stocks through the South West Indian Ocean Fisheries Commission Scientific Committee; and

- c) publication of a toolkit on mainstreaming right to adequate food in Central Africa.

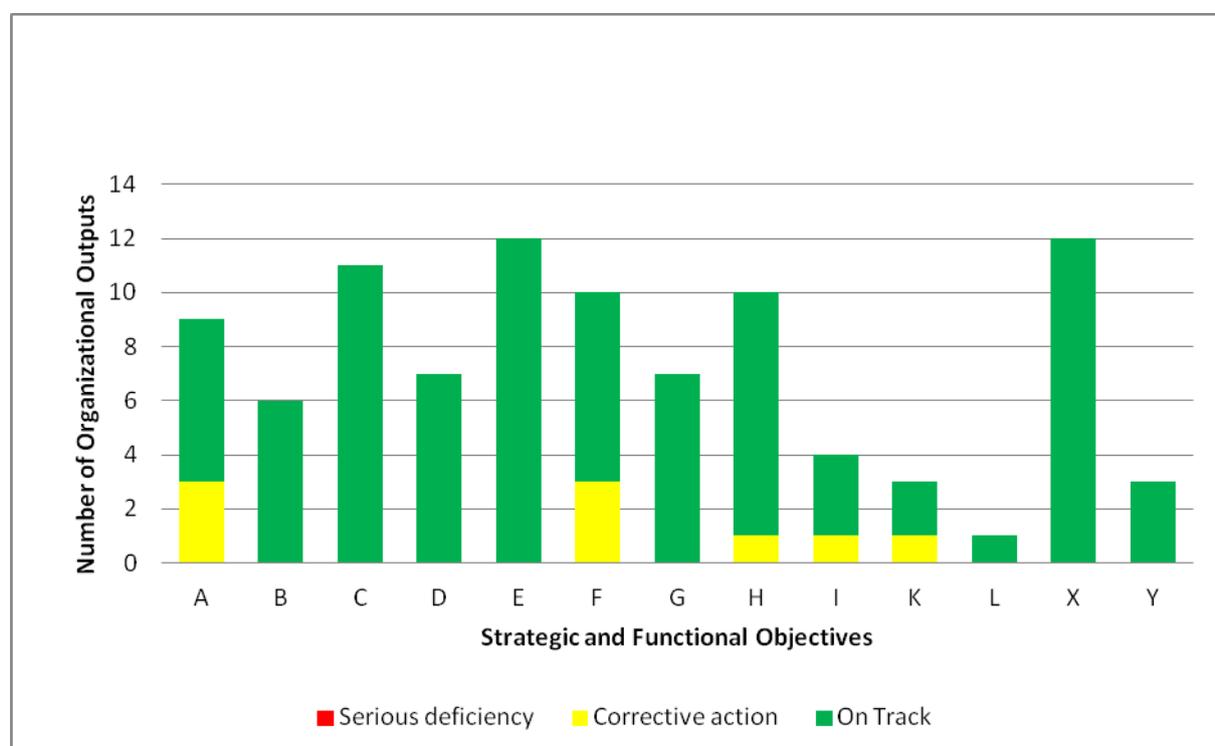
Challenges and remedial actions

158. On-track progress of 83 percent of the Organizational Outputs represents a satisfactory level of performance for the region. The primary factors causing the slower than anticipated rate of delivering results at Organizational Outcome level in 2012 were lower than anticipated donor interest in some activities, and unexpected delays in filling some vacancies, particularly in fisheries and aquaculture.

159. The region is working closely with headquarters to expedite recruitment for the vacant positions, and with FAO Representations to promote the active engagement of government representatives and other stakeholders in FAO programmes. Resource mobilization is a core element of this approach.

Asia and the Pacific

Figure 5 - Progress towards achievement of Organizational Outputs in Asia and the Pacific



Summary

160. Performance of the Regional and Subregional Offices in Asia and the Pacific was positive in 2012. In total, 86 of the 96 Organizational Outputs (90 percent) were on track for completion. Delays in filling of several vacant technical posts caused nine outputs to be assessed as requiring additional attention.

Progress

161. Despite the highest economic growth among all regions, the Asia and Pacific region is still home to 62 percent of the world's undernourished population (536 million people). Tackling this challenge is complicated by rapid population growth with urbanization, widening income disparity and inequity, stagnation of expansion of arable land, increasing scarcity of water resources and insufficient investment in agriculture. In the light of uncertainties such as crude oil prices, food price volatility, the impact of climate change and natural disasters, and following advice from the 2012 Regional Conference, the Regional and Subregional Offices reformulated their work plans for 2012–13.

162. Main achievements during 2012 included:

- a) preparation of 17 Country Programming Frameworks. 14 Country Programming Frameworks were formally adopted and signed during 2012, three additional will be signed soon, and four have been ongoing since last biennium;
- b) field programme delivery in the region exceeded USD 150 million during 2012;
- c) a total of 97 technical meetings, workshops and trainings courses were carried out;
- d) 28 publications disseminated through both printed and electronic means; and
- e) technical assistance and project back stopping missions remained an important component of the work in the Regional and Subregional Offices.

Challenges and remedial actions

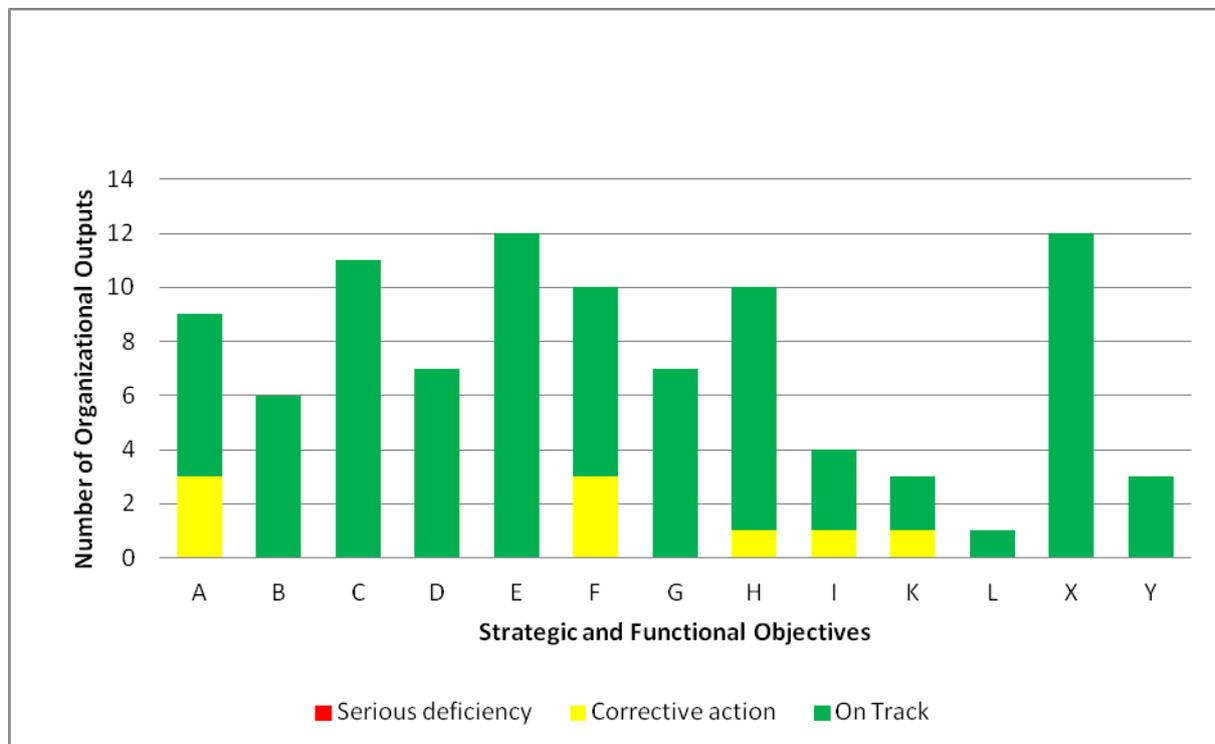
163. The 2012 Regional Conference for Asia and the Pacific has given high priority to developing technical capacity on rice production in the region. This will require broadening the scope and expertise of regional programmes in collaboration with headquarters and external partners.

164. Progress planned in the areas of land tenure, urbanization and access to food, emergencies and gender suffered from vacant posts and the lack of technical officers/experts to deal with member countries' needs. In particular, the gender post was vacant for an extended period.

165. Priority is being given to filling the vacant professional staff posts which have been unoccupied since last biennium, with the assistance and collaboration of concerned headquarters units. The Regional Office will keep the design and relative priorities assigned to its Organizational Outputs under constant review in order to more effectively address the issues and challenges described above and to better respond to the requests for assistance from member countries.

Europe and Central Asia

Figure 6 - Progress towards achievement of Organizational Outputs in Europe and Central Asia



Summary

166. Performance of the Regional and Subregional Office in Europe and Central Asia was positive in 2012. In total, 58 of the 68 Organizational Outputs (85 percent) were on track for completion as planned by the end of the biennium. Staff shortages arising from unexpected delays in filling vacant posts and retirements caused two outputs to be assessed as being in jeopardy and other nine outputs to be identified as requiring corrective action.

Progress

167. The 2012 Regional Conference for Europe endorsed six priority areas for FAO assistance in the region. Efforts in 2012 were focused on these priority areas, as well as policy advice and institutional strengthening.

Policy support

168. High and volatile prices of food resulted in the region paying additional attention to food and nutrition security and formulation of strategies to overcome food insecurity fears. Kyrgyzstan, Ukraine, the Russian Federation and Kazakhstan received advice and assistance on the development of policies to help ensure food security while avoiding market intervention likely to be harmful, such as export bans. Capacity development for government officials and private sector partners on principles and procedures to ensure a more effective food safety system and higher sanitary and phytosanitary standards was particularly appreciated. Seminars were held in the Commonwealth of Independent States on the transition to a modern risk-based food safety system to supplement existing standards.

Natural resource management and climate change

169. The region provided policy advice on management of public and private forests to the Russian Federation, Ukraine, Serbia and Kosovo. Through the contribution to the European Section of the UN Report on Rio+20, further attention was given to agriculture in the region and its contribution to sustainable development. Capacity development related to climate change with emphasis on the Central Asian countries in close collaboration with the CGIAR was provided, and resource mobilization for integrated watershed management by formulating GEF-funded projects for Kazakhstan and Turkey was completed. Awareness regarding aquaculture as an alternative income-generating source through increased interest from member countries was achieved.

Animal and plant health – Animal and plant production

170. Initiatives in crop and livestock production included advising governments on better policies on seed and livestock breeding, often carried out in partnership with CGIAR organizations. A brucellosis strategy has been prepared and implemented in Tajikistan and used as a basis for a larger initiative of the World Bank. The raising of awareness and training for handling African Swine Fever was provided to Belarus, Ukraine and the Russia Federation. Pesticide residue management capacity strengthening was a focus of a large EU-funded project, including the review related to the international standards for phytosanitary measures.

Other areas

171. Concerning the priority area of supporting entry of Member States into regional and global trade, standard setting and political-economic organizations, the emphasis was on assisting Western Balkan countries to achieve their goal of accession to European Union membership. FAO also assisted Balkan countries (Serbia, Bosnia and Herzegovina, and Montenegro) in preparing sector studies to assess where pre-accession funding could best be used. The Russian Federation received capacity-building assistance in preparation for its World Trade Organization accession.

Challenges and remedial actions

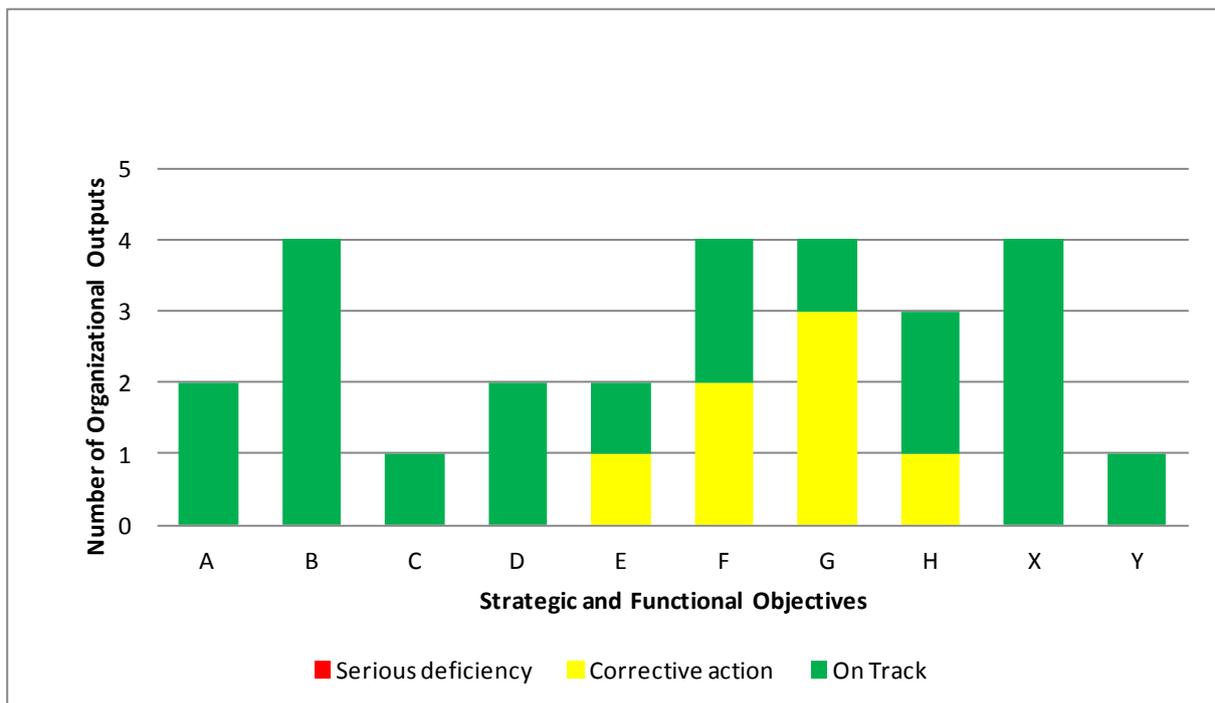
172. The Europe and Central Asia region made satisfactory progress in achieving Organizational Output targets. The main problems encountered were the result of vacancies in key technical areas (fisheries, forestry, investments, partnerships and communications). The rollout of Country

Programming Frameworks also proved more complex than anticipated, given the relatively few FAO Representations in the region.

173. The Regional Office has assigned dedicated resources to ensure that the vacancies are filled as soon as possible. Officers in the Regional Office have also been named as "alternate FAO Representatives", in order to drive implementation of the CPFs to a successful conclusion.

Latin America and the Caribbean

Figure 7 - Progress towards achievement of Organizational Outputs in Latin America and the Caribbean



Summary

174. Overall performance of Regional and Subregional Offices in Latin America and the Caribbean has been positive for 2012. Of the total of 27 Organizational Outputs, 20 (74 percent) have been rated as on track and 7 as requiring corrective action.

Progress

175. The Regional Office for Latin America and the Caribbean undertook work across all the Strategic Objectives during 2012. However, it recorded particular achievements in the areas of influencing policy, helping farmers and family farmers, and promoting sustainability.

Influencing policy on hunger and poverty

176. Poverty reduction and food security are areas of special emphasis in the region. FAO undertook research and analysis into rural labour markets, rural poverty and land property which resulted in a series of reports. Judging by the frequency with which these reports have been quoted in the press, conferences and other publications, it would appear that they are successfully moulding policy debate in governmental circles, among regional non-governmental organizations and in the mass media. Right to Food is scheduled to be an area of particular activity in 2013 and beyond, with a publication and promotion of the issue within the region expected to meet their target delivery dates.

177. Online publications and bulletins addressed a range of topics from quarterly updates on ‘the state of regional food security’ to information on emerging trends in agriculture and rural

development. Countries also have taken full advantage the information and knowledge material on the regional office Web site, where the number of visits is considerably above initial projections.

Helping farmers and family farming

178. A regional review of national policies, the first in the region, targeted resource-limited aquaculture farmers. The results provided strong evidence for the integration of this sector into national family farming policies and further work is planned. FAO advocated for, and provided technical assistance to national institutions on family farming and rural development issues. In addition to awareness raising workshops, a community of practice was established to integrate family farming issues into national agriculture policy. This group comprises of 64 government representatives (from 19 countries), 38 farmers organizations' representatives (15 countries) and 47 FAO professionals. In addition, to improve livestock and family production systems, FAO provided support to national veterinary services.

Promoting sustainability

179. FAO advised Members on preparing policies and strategies on sustainable crop production intensification and diversification. It also supported the Partnership Initiative for Sustainable Land Management in the Caribbean, and helped Central American countries develop capacity in Land Use Planning as a tool for climate change adaptation and mitigation. Alongside this initiative, FAO published guidance on Land Use Planning based on experience in TCP projects in Argentina and Uruguay.

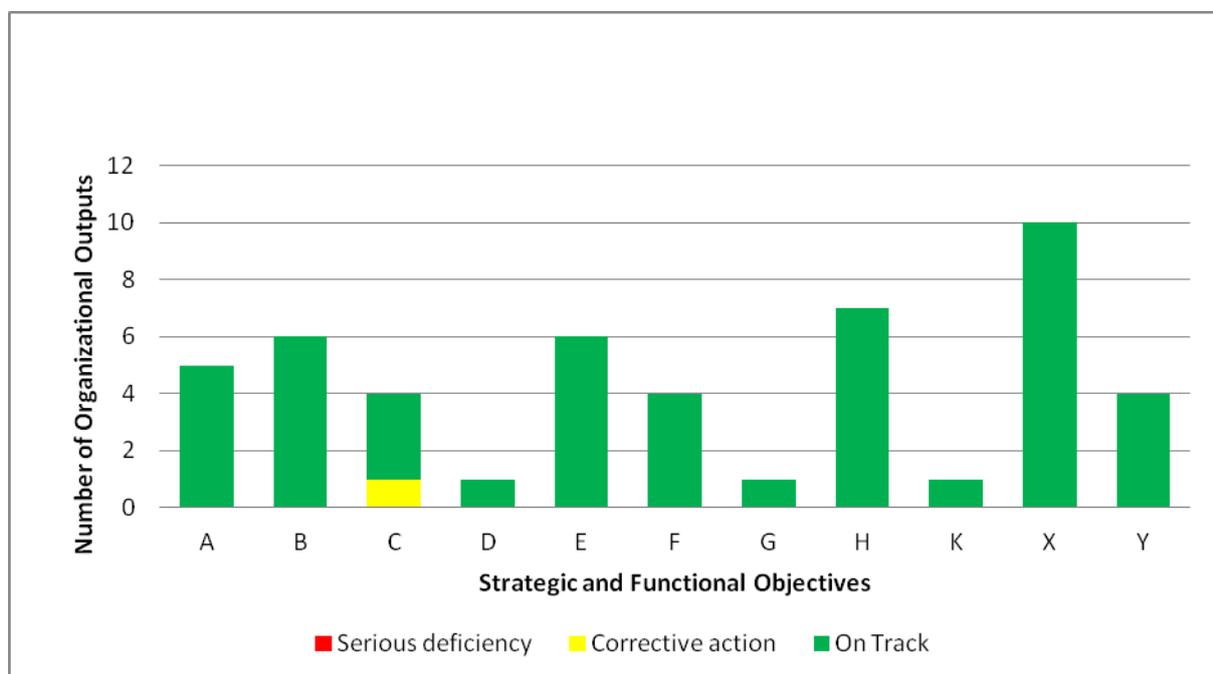
Challenges and remedial actions

180. The seven Organizational Outputs requiring remedial action faced problems arising from four sources: (i) underperformance of some consultants and difficulties in locating skills in key areas (e.g. trade and markets); (ii) the region made good progress on rolling out the Country Programming Frameworks during the year, however, when the results were analyzed, some Organizational Outputs were de-prioritized; (iii) change in donor priorities which hindered the implementation of the National Forest Programme in particular; and (iv) the level of support that recipient governments can give to joint activities compared to other priorities.

181. Renewed efforts will be undertaken to identify and mobilize donors, and increase national and civil society participation in FAO programmes particularly for forestry and statistics. Efforts will be stepped up to engage with member countries, particularly working through FAO Representatives and the community of practice.

Near East and North Africa

Figure 8 - Progress towards achievement of Organizational Outputs in the Near East and North Africa



Summary

182. Performance of the Regional and Subregional Offices for the Near East and North Africa was positive in 2012. In total, 48 of the 49 Organizational Outputs (98 percent) were on track for completion. One Organizational Output is facing difficulties in meeting its targets, mainly because of regional geopolitical instability which negatively impacted the work of the Fisheries Regional Commission, compounded delays in filling one vacant fisheries post.

Progress

Emergencies

183. The geopolitical developments in the region placed increased demands for FAO's assistance. Through the Flash Appeal for Libya, FAO coordinated emergency interventions on food security, food systems monitoring, as well as input distribution and training in Libya and neighbouring Egypt. FAO also provided emergency operations in Syria and Yemen alongside regional humanitarian organizations, including communications, donor liaison and resource mobilization.

184. The region also experienced acute outbreaks of animal diseases during 2012 which damaged family food security, rural livelihoods and livestock trade. More than 250 million animals were at risk in the region from diseases such as of foot-and-mouth disease, peste des petits ruminants, rift valley fever and highly pathogenic avian influenza. FAO strategy to respond to these outbreaks comprised four elements: (i) supporting members to formulate a regional foot-and-mouth disease control strategy and roadmap; (ii) building links between health and veterinary organizations to share epidemiological data; (iii) training government personnel to contain outbreaks through better monitoring and preparedness, with a particular focus on peste des petits ruminants and other small ruminant diseases in the North African subregion; and (iv) providing technical and financial assistance to improve the infrastructure for surveillance, detection, prevention and control (e.g. lab training and vaccination campaigns).

Food security and nutrition

185. In 2012, the regional office provided a wide range of technical assistance, policy advice and knowledge resources to member countries' institutions, regional bodies, civil society and the UN system. Examples included: (i) capacity development workshops, interagency dialogue and support for policy formulation on food security and nutrition; (ii) leadership of the UN thematic working group on food security; (iii) several information products and knowledge resources, including the Agricultural Statistics Yearbook of the region and other joint UN publications with UN agencies in the region; and (iv) regional capacity-building was provided to countries to strengthen the linkages between population issues and agriculture census, to reinforce food security information systems and improve statistical systems, including a regional contribution to FAO's new global strategy for improving agriculture and rural development statistics.

Livestock

186. FAO published an assessment of the impacts of climate change on livestock in the region and proposed measures for adaptation and mitigation. It also organized regional workshops and trainings on integrated drought preparedness and management in the livestock sector, on local breeds and on animal identification, recording and traceability. Support was provided to the marketing of local breeds and produce in North Africa.

187. Extrabudgetary activity in the livestock sector focused on the dairy sector, improving small-scale dairy through improved technologies, institutional arrangements, capacity-building, extension services and market access in other two countries for possible funding. FAO also supported Lebanon to rehabilitate its dairy sector with emphasis on the livelihoods of women-headed households and disabled persons.

Forestry

188. Thematic studies issued on forestry by the Regional Office during the year examined the challenges in: (i) adopting an integrated approach to managing forests and rangelands; (ii) the potential for non-wood forest products to provide safety nets for rural livelihoods; (iii) options to enhancing technical capacities in conservation and sustainable management of wildlife and protected areas; and (iv) the development of global information systems for the monitoring and management of wildlife and protected areas.

Challenges

189. In spite of regional political instability which disrupted programme implementation in some areas, the region made good progress across all its programmes during the year.

III. Managing resources wisely

190. Conference Resolution 5/2011 approved the 2012-13 budgetary appropriation of USD 1,005.6 million and the Programme of Work, subject to adjustments based on guidance provided by the Conference. Three sets of adjustments were prepared by the Secretariat and approved by the Council in the first year of the biennium:

- a) in December 2011, the Council approved adjustments as requested by Conference relating to increase the budgets of Evaluation and Strategic Objective K (Gender), to maintain the status quo of the Shared Services Centre, and to ensure minimal post increases, as well as efficiency gains and 2010-11 carryover amounting to USD 28.0 million, with a further 6.5 million in savings to be identified;⁹
- b) in June 2012, the Council approved further adjustments relating to: (i) the outcome of operational work planning at the start of the biennium and the resulting shifts in budgetary allocations by chapter; (ii) quantification of required savings (USD 6.5 million) and further savings of USD 19.3 million identified from a critical review and adjustments of posts; (iii) initial structural adjustments for institutional streamlining and strengthening; (iv) reallocation of savings to increase FAO's impact; and (v) the net overall impact on PWB budgeted posts and budgetary chapter allocations;¹⁰
- c) in December 2012, Council approved transformational changes relating to structural changes. The revised distribution of the net appropriation by budgetary chapters is presented in document CL 145/3 Transformational Changes in the 2012-13 biennium.¹¹

191. FAO's Programme of Work is implemented through an integrated budget comprising the net appropriation and extrabudgetary contributions. In the revised distribution of the net appropriation USD 534.9 million (53 percent) was programmed under the Strategic Objectives and USD 470.7 million (47 percent) was programmed under the Functional Objectives, Technical Cooperation Programme, Capital Expenditure, Security Expenditure and Contingencies. Extrabudgetary voluntary contributions needed to help implement the results-based programme of work of the Strategic and Functional Objectives, were estimated at USD 1,392.9 million, of which USD 1,310.9 million (94 percent) for the Strategic Objectives and USD 82.0 million (6 percent) for the Functional Objectives and Security chapter.

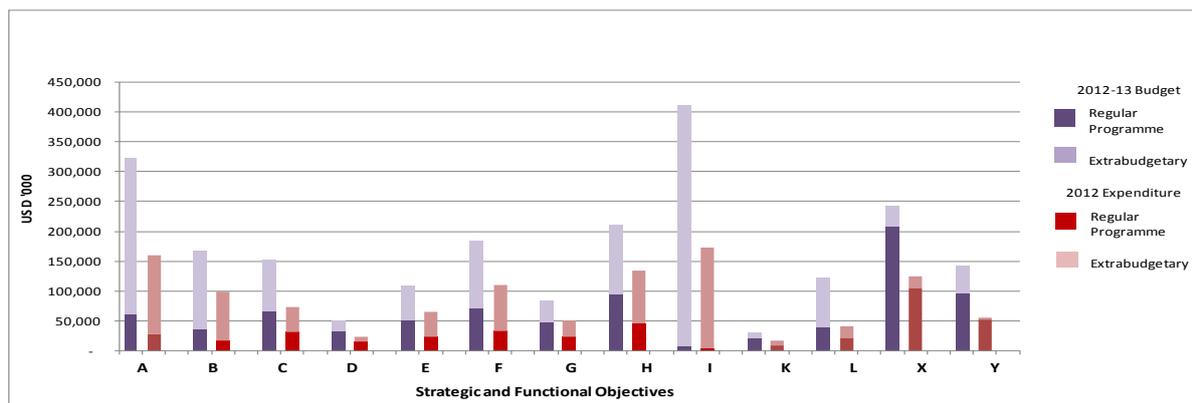
192. The 2012-13 budgeted resources are compared with expenditure up to December 2012 in Figure 9.

⁹ CL 143/3

¹⁰ CL 144/3

¹¹ CL 145/REP, paragraph 13 c)

Figure 9 - 2012-13 Budget compared to 2012 Expenditure by Strategic and Functional Objective (USD 000)



193. For the Regular Programme net appropriation:

- a) the *2012-13 budget* figures are those approved by the 145th session of the FAO Council¹² as presented in document CL 145/3 and reflect the Regular Programme net appropriation with the approved adjustments for efficiency gains, institutional strengthening and enhanced delivery amendments;
- b) *2012 expenditure* is up to December 2012, i.e. after the first year of implementing the PWB 2012-13, and is based on the unaudited accounts of the Organization.

194. For extrabudgetary resources (i.e. voluntary contributions):

- a) the *2012-13 budget* figures reflect the estimates of extrabudgetary resources that were presented in the PWB 2012-13 (C 2011/3);
- b) *2012 expenditure* is as at December 2012, i.e. after the first year of the biennium, and is based on the unaudited accounts of the Organization.

195. The expenditure of net appropriation resources in 2012 related to the Strategic and Functional Objectives was almost 50 percent of the approved biennial budget; full utilization of the 2012-13 net appropriation for the Strategic and Functional Objectives is expected by the end of the biennium. Extrabudgetary expenditure is similarly around half (51 percent) of the extrabudgetary resources estimated in the PWB 2012-13.

Strategic and Functional Objective perspective

196. The annual report on budgetary performance and budgetary transfers in the 2012-13 biennium¹³ is presented to the Finance Committee at this Session. The document outlines biennial forecasted expenditure and forecasted budgetary transfers arising from the implementation of the 2012-13 programme of work. No major programmatic shifts between budgetary chapters are foreseen at this stage of the biennium.

197. It is also recalled that management presented a proposal to the Finance Committee in October 2011, subsequently endorsed by the Council in December 2011,¹⁴ which outlined measures to improve cost recovery for categories of variable costs that had largely been excluded from the FAO Support Cost Policy. These recoveries have been implemented as of April 2012 through the Improved Cost Recovery Uplift (ICRU), which is the use of an uplift of standard project staff costs and project consultant costs without changing the current Project Support Cost ceiling rates and categories. This measure has reduced the level of cross-subsidy from the Regular Programme to extrabudgetary activities by USD 5.6 million as of December 2012.

¹² CL 145/REP, paragraph 13 c)

¹³ FC 148/10

¹⁴ CL 143/REP paragraph 27

198. Extrabudgetary expenditure overall is in line with biennial forecasts. However, extra-budgetary expenditure on three Strategic Objectives with sizeable extrabudgetary programmes (SOs E, G and H) is likely to be greater than PWB forecasts. The reasons for the increased delivery are briefly described below:

- SO-E: increase in the programmes for improved forests management and reduction of deforestation, and natural resource management aspects;
- SO-G: the Somalia programme component related to the improvement of livelihood of vulnerable households in urban and peri-urban areas, and the regional initiative in support of vulnerable pastoralist in the Horn of Africa for the market-related dimensions; and
- SO-H: European Union/FAO programme on Improved Governance for Hunger reduction 2012-2015 and Bangladesh projects on food security, as well as policy capacity strengthening.

199. Extrabudgetary expenditure under the emergency programme in 2012 is in line with the biennial forecast. Emergency activities are mainly under SOs A, B and I. Biennial budgets and actual 2012 emergency delivery under these three SOs comprises 87 percent of the overall emergency programme. Actual delivery from forecasted budgets has shifted between these three SOs with higher delivery in SOs A and B and lower delivery in SO-I.

Technical Cooperation Programme

200. During 2012, 242 TCP projects for USD 59.1 million were approved against the 2012-13 appropriation, representing 53 percent of the appropriation of USD 110.9 million available for project approval. Of this, 72.9 percent had been committed for development support, 17.8 for TCP Facility and 8.5 percent for emergency assistance, and the balance is earmarked to fund the independent work for the ex-post assessment. In 2012, the five major areas where TCP assistance was provided are SO-A (20 percent of the total approvals), SO-H (14 percent), SO-E (11 percent), SO-I (10 percent) and SO-B (9 percent).

201. In 2012, a set of new standard reports was introduced in the Field Programme Management Information System to help TCP Coordinators effectively monitor and manage the appropriation. A proposal for enhancement of the Technical Cooperation Programme, consistent with the Strategic Thinking Process and Country Programming Frameworks was endorsed by the Council in 2012.¹⁵

Capital and Security Expenditures

202. A portion of the PWB resources on the Regular Programme is budgeted under Capital Expenditure and Security Expenditure. Sixty-five percent of the Capital Expenditure net appropriation and 51 percent of the Security Expenditure net appropriation were spent in 2012, which is in accordance with plans.

Regional perspective

203. The approved integrated budget and implementation for Strategic and Functional Objectives and the Technical Cooperation Programme by region is shown in Figure 10 and for headquarters in Figure 11. Levels of total expenditure in the first year of the biennium in three of the regions (Africa, Asia and the Pacific and Near East and North Africa) exceeded the PWB forecast for the whole biennium, primarily due to increased activity funded by extrabudgetary resources. Expenditure is close to forecast in Latin America and the Caribbean. In the Europe and Central Asia, expenditure rates were slower, mainly as the consequence of staff vacancies on Regular Programme.

204. Overall, the levels of expenditure are the result of increased activity on the extrabudgetary side, as the result of two factors. Firstly, change in demand led to a lower proportion of extrabudgetary funds than anticipated being received for global and inter-regional activities. Secondly, as part of the reinforcement of decentralized offices, responsibility for the management of a major portion of the extrabudgetary resources was transferred from headquarters to decentralized locations.

¹⁵ CL 145/REP paragraph 21

Figure 10 - Approved budget 2012-13 and expenditure to December 2012 by region

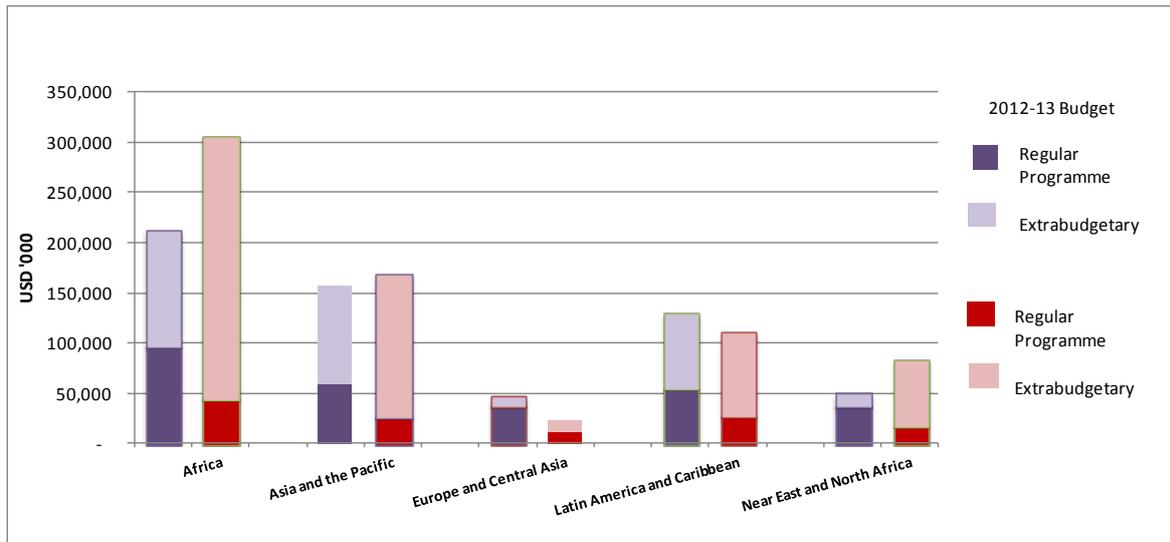
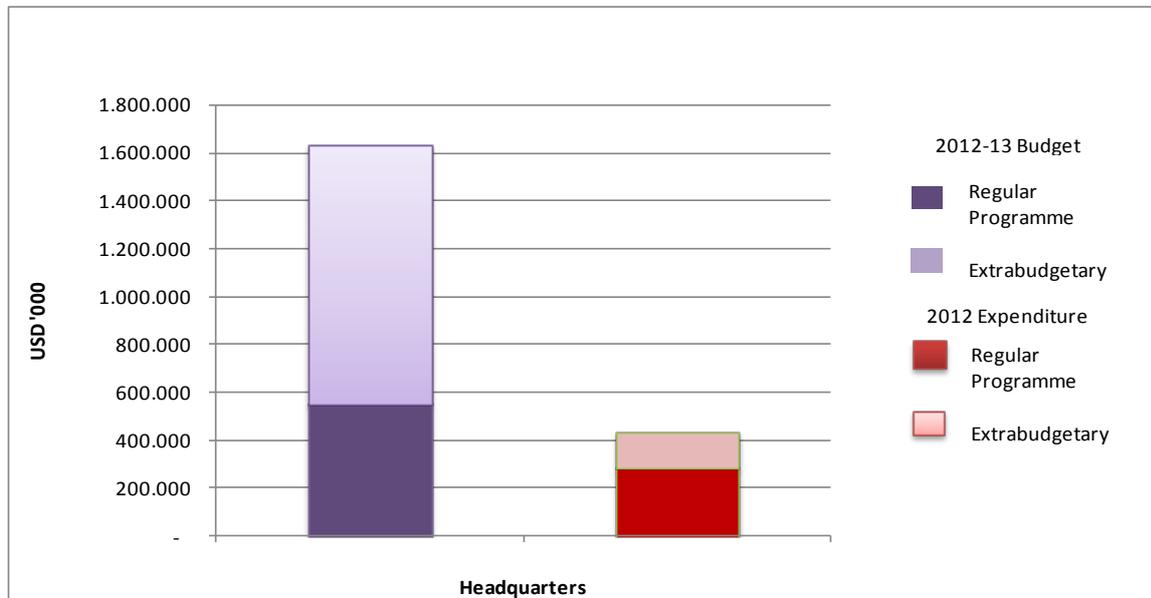


Figure 11 - Approved budget and expenditure to December 2012 at headquarters



Annex 1: Overview of the process and rating system

Information in this report was compiled using an exception reporting approach. At each level of the hierarchy in the Strategic Framework, managers documented progress in achieving their objectives, summarizing the overall status as red, amber or green. They added comments on the challenges faced and remedial actions needed, only if they anticipated that the achievement of objectives was at risk; if the achievement of the objective was not at risk, the manager only had to record the progress achieved.

Status summary

On track	Progress towards achievement of the OO/OR is as foreseen AND actual and potential impediments are not expected to significantly affect progress
Corrective action	Some issues have been identified that could impede, delay or otherwise put at risk achievement of the OO/OR; minor remedial action is required to resolve these issues
Serious deficiency	Serious impediments or risks have been identified and major remedial action will be required potentially with assistance from outside the OO/OR team

The detailed compilation followed a three-step process:

- Step 1: Assessing progress towards achieving Organizational Outputs – Managers assessed and documented progress and assigned colour ratings.
- Step 2: Review of Organizational Outputs, and consolidating as progress to achieving Organizational Results - Organizational Result leaders assessed the progress of Organizational Results, using the submissions on the Organizational Outputs.
- Step 3.a: Assess progress of all Organizational Results at the Strategic Objective Level - Strategy team leaders and their teams consolidated and reviewed progress of the Organizational Results under each Strategic/Functional Objective, highlighting the main areas of interest and performance for inclusion in this Report.
- Step 3.b: Assess Regional Performance - Regional strategy teams reviewed and commented on the progress achieved in their regions, using the Organizational Outputs under their direct responsibility as the starting point.

At each stage, data entered by a manager was reviewed by their supervisor. The Office of Strategy, Planning and Resources Management provided quality assurance over the process, reviewing and checking the narratives submitted for publication, and the coherence of reported performance between the different levels of the strategic hierarchy.