

Possible Chapter Structure for Budgetary Appropriations Resolution
(Management Note)

Current Regulations and Practice

1. Financial Regulation III on the budget states that biennial budget estimates shall be prepared by the Director-General on a programme-budget basis, divided into chapters and programme objectives, and where necessary into programmes and sub-programmes. The budget is voted by Conference through a Budgetary Appropriations Resolution at chapter level.
2. Financial Regulation IV on appropriations provides for the financial management of the appropriations voted, including the responsibility of the Director-General to manage the appropriation so that obligations and expenditures follow, in general, the financial plans contemplated by the PWB approved by the Conference and the requirement that transfers between chapters be approved in advance by the Finance Committee or Council (FR 4.5b)¹.
3. Governing Body financial oversight of spending against plan is provided at chapter level through an Annual Report on Budgetary Performance to the Finance Committee, and programme performance is in part examined through the biennial Programme Implementation Report to Conference (through the Council and its Committees). These arrangements provide financial latitude to implement programmes flexibly, with Governing Body oversight focused on delivery of results.

Implications of the new results-based programme framework

4. At the Working Group meeting of 28-29 July on integration of Strategic Objectives, Management alerted Members that the Budgetary Appropriations Resolution to be approved by the Conference for the biennial PWB from 2010-11 would need to be adapted to be in line with the new results framework.
5. In this context, it was envisaged to equate the strategic objectives with the hitherto programme level and the organizational results with the hitherto programme entity level of the current PWB. For the purposes of the Budgetary Appropriations Resolution it would be necessary to define a chapter level above the strategic objectives.

Basic Texts	Proposed Framework
Chapters ↓ Programme Objectives ↓ Sub-programmes	Aggregation of Strategic Objectives ↓ Strategic Objectives ↓ Organizational results

6. For the biennia 2000-01 to 2004-05, the Appropriations Resolution had seven Chapters (see Annex 1). For the 2006-07 biennium, the chapter structure was modified in two ways:
 - consolidation of the seven chapters into six under Reforms in the Organization (CR 6/2005); and

¹ The Finance Committee will review the procedures regarding chapter transfers (FR 4.5b) at its October session (FC 123/12 Review of Procedures regarding Financial Regulation 4.5b).

- creation of two new special purpose chapters on Capital Expenditure (CR 10/2003) and Security Expenditure (CR 5/2005).

7. In the Working Group 1 meeting of 28-29 July, Members were generally satisfied with the more aggregated presentation of the Strategic Objectives into two groups, which provided a possible basis for chapters in the Budgetary Appropriations Resolution. The possible chapter structure (see below) from the PWB 2010-11, which was outlined at the meeting:

- draws on the proposed grouping of strategic objectives (Chapters 1 and 2);
- reinstates a separate chapter for the Technical Cooperation Programme (Chapter 3);
- establishes separate chapters for the two functional objectives (Chapters 4 and 5) to allow for recognition of an administrative budget (i.e. Chapter 5); and
- maintains special purpose chapters on Capital Expenditure and Security Expenditure.

Possible Chapter Structure from 2010-11

1. Sustainable food production and management of natural resources
2. Enabling environment for food security and improved livelihoods
3. Technical Cooperation Programme
4. Governance, oversight and partnerships
5. Management and administration
6. Contingencies
8. Capital Expenditure
9. Security Expenditure

Annex 1 – Past and Current Chapter Structure of Budgetary Appropriation Resolution

2000-01 to 2004-05

1. General policy and direction
2. Technical and economic programmes
3. Cooperation and partnerships
4. Technical cooperation programme
5. Support services
6. Common services
7. Contingencies

2006-07 and 2008-09

1. Corporate governance
2. Sustainable food and agricultural systems
3. Knowledge exchange, policy and advocacy
4. Decentralization, UN cooperation and programme delivery
5. Management and supervision services
6. Contingencies
8. Capital expenditure
9. Security expenditure