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Alimentación

COUNCIL

**Report of the Joint Meeting of the
Ninety-fifth Session of the Programme Committee
and the
Hundred and Thirteenth Session of the Finance Committee**

Rome, 10 May 2006

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Matters requiring attention by the Council

Matters requiring discussion and/or decision

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REPORT OF THE JOINT MEETING OF THE PROGRAMME AND FINANCE COMMITTEES

Rome, 10 May 2006

Introduction

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

Programme Committee

Chairperson

H.E. M.S.S. Wyatt (United Kingdom)

Members

Mr A.R. Ayazi (Afghanistan)

Ms J. Barfield (Australia)

Mr J. Melanson (Canada)

H.E. M. Arvelo Caamaño (Dominican Republic)

Mr R. Parasuram (India)

Mr F.B. Zenny (Jamaica)

H.E. A.A. Zaied (Libya)

Mr G.G. Lombin (Nigeria)

Mr R.S. Recide (Philippines)

Ms V.B. Titi (South Africa)

Finance Committee

Chairperson

Mr A. Ashraf Khawaja (Pakistan)

Members

Mr A. Bakayoko (Côte d'Ivoire)

Mr S. Skafte (Denmark)

Mr Eckhard W. Hein (Germany)

Mr A. Zodda (Italy)

Mr S. Yokoi (Japan)

Ms A.M. Baiardi Quesnel (Paraguay)

Mr R. Seminario Portocarrero (Peru)

H.E. A.I. Al-Abdulla (Qatar)

Mr J.M. Cleverley (United States of America)

Ms V. Mutiro Takaendesa (Zimbabwe)

Item 1: Adoption of the Agenda¹

3. The Agenda for the Joint Meeting was approved.

Item 2: Revised Programme of Work and Budget 2006-07²

4. In the light of the reports from the respective Chairpersons on the deliberations in each Committee, the Committees jointly addressed the proposals in the revised PWB 2006-07.

Approval of the Revised Programme of Work

5. The Committees recognized the difficult budgetary context of formulation of the revised PWB as the result of real resource cuts totalling US\$ 38.6 million (i.e. a 5.2% average reduction) compared with the previous biennium. The Committees also recognised that as a consequence of, *inter alia*, the successive budget cuts, the critical mass of the Organization in certain key areas of FAO's mandate was seriously weakened. They noted the continuing efforts to identify efficiency savings to mitigate the impact of resource cuts on FAO's programmes. It was noted that in the Revised PWB 2006-07 efforts at prioritisation were constrained by limited resources.

¹ Doc. JM 06/1.1

² Doc. PC 95/3 – FC 113/14

6. Bearing in mind the more detailed guidance provided by each Committee on their areas of respective competence, as more fully reflected in their reports, the Committees approved the revised Programme of Work by consensus.

7. In responding to the report from the Chairperson of the Finance Committee, the Committees took particular note of the potential adverse impact of the budgetary provision under Programme 5C: *Financial Services* on internal financial controls, which could compromise the Organization's capacity to produce accurate, timely and complete accounts. The assurance from the Secretariat was welcomed, to the effect that it would cope with possible risks in this area by adequate prioritization of its work, and the Committees expected that the Finance Committee would continue to monitor the internal control aspects through reports of the Inspector-General and External Auditor, where unacceptable risks would be noted.

8. The Chairperson of the Programme Committee presented the report of the Programme Committee as under: "The Committee considered the proposed Revised PWB 2006-07, and noted the budget constraint that had informed its preparation, as well as the efforts of the Secretariat to protect priority areas. It benefited from extensive briefing from programme managers on the impact of budget allocations to planned programmes and entities. It expressed concern that the priorities both: i) identified in Table 11, and ii) stated as being underfunded in the second sentence of para 123 (i.e. support to the IPPC, plant and animal genetic resources, food safety, agricultural water management, GIEWS and support to implementation of the Code of Conduct for Responsible Fisheries), as well as the corporate statistical database FAOSTAT, might not be funded at the level necessary to ensure full implementation of expected outcomes. The Committee requested that allotments to these priorities not fall below the budgeted amounts, and that they be considered for any savings that could arise from the implementation of decentralization. Furthermore, it recommended that the Director-General identify possible savings from amongst the programmes, including, but not limited to, 3E and 3J."

9. The Committees took note of the budgetary transfers by Chapter as proposed by the Director-General in Table 1 (paragraph 8) of the Revised PWB 2006-07, and were advised that these were formally approved by the Finance Committee. In accordance with Financial Regulation 4.5b, further transfers that might arise during the biennium would be submitted in due course to the Finance Committee.

Preparation of Medium Term Plan 2008-13

10. The Committees reiterated the recommendation to the Council, as reached in the respective sessions of the Programme and Finance Committees, to postpone the preparation and issuance of the Medium Term Plan 2008-13.

Advance indications of further changes to be proposed by the Director-General

11. The Committees noted the "*Advance indications of further changes to be proposed by the Director-General*" (paragraphs 48-59 of the Revised PWB 2006-07) and thanked the Director-General for sharing these with the Committees. The Committees recognised that substantive discussions on further changes were not possible until after they receive a specific and complete proposal from the Director-General. They took note of ongoing consultations with Members in this regard, in the context of the FAO Regional Conferences.

Item 3: Review of Programme Planning and Budgeting: Options for improved processes³

12. The Committees appreciated the options presented in the document, which were restricted to the following aspects:

³ JM 06/1.3

- the timeframe and scope of the Strategic Framework;
- the rolling nature of the Medium Term Plan;
- resource projections in the Medium Term Plan; and
- the “disconnect” between planning efforts and eventual decisions on the budget level.

13. The Committees emphasised that the options presented could be also of use for consideration by the IEE (Independent External Evaluation) team in arriving at its broader recommendations in this area as well as more generally in relation to the governance process, and agreed that the Membership would then be in a better position to make decisions on possible changes.

14. To inform the IEE of their views, Members expressed opinions on the merits of some of the options put forward, which did not constitute official positions at the current juncture.

15. Among the interventions made, the majority expressed a preference for a merger of the Strategic Framework and the Medium Term Plan, with the resulting document adopting a shorter timeframe. There was general preference for a one-off, instead of a rolling document as at present which is updated every two years. Views on whether any such document should or should not contain resource projections were less pronounced.

16. In recognizing again the importance of addressing the above disconnect, i.e. by ensuring that the PWB planning effort is based on a resource level commanding broad support by the membership, several Members stressed that that was an aspect where the IEE should provide useful insights and recommendations. The option presented in the document, whereby the usual negotiations on the budget level could be carried out during the June Council of Conference years, merited exploring by the IEE.

Item 4: Savings and Efficiencies in Governance: Further analysis of arrangements for the meetings of the CCP and COAG⁴

17. The Committees reviewed the new paper prepared by the Secretariat to further explore, at the request of Council in November 2005, the scope for merging CCP and COAG and the implications for logistics and for the policy work, especially of CCP. The Joint Meeting noted that the back-to-back arrangement adopted for the last (2005) sessions of CCP and COAG had worked well and that no further efficiency savings would be made by merging the two Committees. The importance of the CCP, especially to developing country members, as a forum for discussion of international agricultural trade policy issues was stressed. The Joint Meeting concluded that the back-to-back scheduling of CCP and COAG sessions should be continued, although two Members expressed the view that the discussion should be kept open.

18. The Joint Meeting recognised that its decision regarding this matter did not preclude further consideration of other arrangements in the light of the outcome of the Independent External Evaluation on the subject.

⁴ JM 06.1/4