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ADJUSTMENTS TO THE PROGRAMME OF WORK AND BUDGET 2018-19

Queries on the substantive content of this document may be addressed to:

Mr Boyd Haight
Director, Office of Strategy, Planning and Resources Management
Tel. +39 06570-55324

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I. Background and scope

1. The Fortieth session of the Conference in July 2017 considered the Director-General's Medium Term Plan (MTP) 2018-21 and Programme of Work and Budget (PWB) 2018-19. The Conference approved the budgetary appropriations for 2018-19 and provided guidance on the substance of the proposals.¹ In line with the established programme planning cycle, the Director-General has reflected the Conference's decisions and guidance in the adjustments to the PWB 2018-19 for consideration by the Programme and Finance Committees and approval by the Council at its 158th session in December 2017.

A. Decisions and guidance of the Conference

2. The Conference approved the Programme of Work proposed by the Director-General and voted a budgetary appropriation of USD 1,005.6 million at the budget rate of exchange for 2018-19 of Euro 1 = USD 1.22 (*Resolution 12/2017*).

3. In approving the Programme of Work as proposed, the Conference welcomed the continuity in the strategic direction of the Organization, and appreciated the close alignment of FAO's Strategic Objectives with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

4. In particular, the Conference:

- a) supported the priorities and resources allocations, and appreciated the identification of areas of emphasis, de-emphasis and re-allocation of savings to increase technical capacity in higher priority areas and to improve programme delivery;
- b) noted that Council would be reviewing the Strategic Objective Output indicators and targets at its December 2017 session as presented in the Adjustments to the PWB 2018-19;
- c) encouraged the continued use of partnerships to enable the Organization to leverage its comparative advantages, including through South-South and Triangular Cooperation, and approved the new title of the Partnerships and South-South Cooperation Division; and
- d) encouraged Members to provide voluntary contributions to address priorities that could not be accommodated within the PWB net appropriation resources in a flat nominal budget.

5. The Conference also authorized the Director-General, notwithstanding Financial Regulation 4.2, to use any unspent balance of the 2016-17 appropriations for one-time use to support programmes of the Organization, including for the Special Fund for Development Finance Activities, in agreement with the Joint Meeting of the Programme and Finance Committees and the Council at their meetings in November-December 2017. This decision is addressed separately in document *JM 2017.2/2 Use of unspent balance of the 2016-17 appropriations*.

B. Recent developments

6. The 2030 Agenda for Sustainable Development, with its ambitious plan of action for people, planet and prosperity, requires better coordinated support across the UN system and better alignment of individual entities' support to the Sustainable Development Goals (SDGs). Since the approval of the 2030 Agenda in 2015, FAO has been preparing for its implementation. FAO has engaged in the UN Economic and Social Council (ECOSOC) Dialogues on the longer-term positioning of the UN system and has also contributed to coordination efforts in the UN Chief Executives Board (CEB) and its three pillars.

7. Through its continued engagement in the UNDG Sustainable Development Working Group², FAO contributed to the guidelines for monitoring SDGs at country level, which were made available to decentralized offices. Through an FAO survey, countries reported increased collaboration with the UN system, and increased demands of governmental support on integration of SDGs in country planning and the monitoring of progress.

¹ C 2017/3; C 2017/REP paragraphs 73-77 and CR 12/2017

² United Nations Development Group SDWG

8. Of particular relevance for FAO is the Mainstreaming, Acceleration and Policy Support (MAPS) approach and guidance to UN Country Teams. The MAPS are complementary to the UNDAFs³ and recognize the need for specialized agencies' expertise on norms, policy, standards and monitoring of progress.

9. FAO is also placing particular emphasis on further developing collaboration among the Rome-based agencies. During 2016, FAO developed with IFAD and WFP⁴ a common vision and guiding principles for collaboration among the UN Rome-based Agencies on delivering the 2030 Agenda, which was endorsed by the FAO Council in December 2016 as a useful reference for future joint activities. During 2017, the heads of the United Nations food agencies have collaborated on numerous important events, such as a four-day visit to Ethiopia including to the drought-stricken Somali region, where they made a joint call for greater investment in long-term activities that strengthen people's resilience to drought and the impacts of climate shocks, and a joint news conference for the launch of the State of Food Security and Nutrition in the World 2017.

C. Scope of document

10. The Adjustments to the PWB reports refinements for consideration by the Council in December 2017, in line with the established programming and budgeting process,⁵ arising from decisions and guidance of the Conference noted above, the work planning process during July to November including definition of Output targets, and updates to the estimated level and distribution of voluntary contributions. As foreseen in the PWB 2018-19, the document describes the ongoing consolidation of back office functions of the Shared Services Centre, and outlines the approach to the FAO country office network.

11. The adjustments to the PWB 2018-19 are relatively minimal and comprise work planning and monitoring (*Section II*), measures to strengthen programme delivery (*Section III*), and the resulting adjustments to the budgeted post establishment and budgetary chapter distribution (*Section IV*). *Section V* of the document outlines the actions required in respect of the adjustments to the PWB 2018-19 by the Programme and Finance Committees, and by the Council.

³ United Nations Development Assistance Frameworks

⁴ International Fund for Agricultural Development (IFAD); World Food Programme (WFP)

⁵ Basic Texts, Volume II Part F

II. Work planning and monitoring

12. The FAO results framework for 2018-21 guides the planning and monitoring of the Organization's work. At the core of the framework are the indicators that measure progress at each level of the results chain: Outputs, Outcomes and Strategic Objectives. This provides the basis for assessing and reporting how FAO's actions contribute to changes at national, regional and global level.

13. The 2018-19 results-based work planning process is being undertaken during July to November 2017 to define output targets, deliverables, and resource allocations including the updated estimates of the level and distribution of voluntary contributions, as described in this section.

A. Planning and monitoring framework

Background

14. The elements of FAO's results framework comprise FAO's Vision, the three Global Goals, the five Strategic Objectives, a sixth Objective on technical quality, statistics and cross-cutting themes (climate change, gender, governance, nutrition), the seven Core Functions as means of delivery, and the four Functional Objectives for the enabling environment, as shown in *Figure 1*.

Figure 1: FAO Results Framework – Main Components**FAO's vision**

A world free from 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:

- eradication of hunger, food insecurity and malnutrition, progressively ensuring a world in which 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

- 1) Contribute to the eradication of hunger, food insecurity and malnutrition
- 2) Make agriculture, forestry and fisheries more productive and sustainable
- 3) Reduce rural poverty
- 4) Enable more inclusive and efficient agricultural and food systems
- 5) Increase the resilience of livelihoods to threats and crises

Additional objective

- 6) Technical quality, statistics and cross-cutting themes (climate change, gender, governance, nutrition)

Core Functions

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

Functional Objectives

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

15. FAO's results framework is based on a 'results chain' model which links objectives, outcomes and outputs. Three levels of results contribute to the *Global Goals of Members*:

- a) *Strategic Objectives* express the development outcomes in countries, regions and globally. They are expected to be achieved over a long-term timeframe by Members with FAO's contributions.
- b) *Outcomes* describe changes in the country, regional or global enabling environment and in capacities available to achieve a specific Strategic Objective.
- c) *Outputs* are FAO's direct contributions to Outcomes. They result from the delivery of FAO's interventions at the national, regional and global levels, using both regular and extrabudgetary resources.

16. As set out in the MTP/PWB, the results framework for 2018-21 sharpens the focus of the results chain to relevant SDG targets and indicators. This improved alignment provides a clear, coherent and concrete view of FAO's contribution to support country level implementation and monitoring of the SDGs. It also responds to the recommendation of the FAO Conference to further strengthen support provided to national stakeholders, so as to ensure that food and agriculture are prominently reflected in the nationally identified priorities, as well as to enhancing national stakeholders' capacity on monitoring and reporting.

17. At the level of the *Strategic Objectives*, SDG targets and indicators that relate to each SO will be used exclusively for monitoring and reporting at the SO level. The SO indicators will measure the level of change at the end of the 2018-21 medium-term period.

18. At the level of *Outcomes*, indicators have been simplified by replacing specific dimensions of measurement, or in some cases, entire indicators with SDG indicators. Outcome indicators will continue to measure the biennial level of change achieved and the extent to which countries have made progress in those areas where FAO more directly contributed through its work. Overall, FAO's work contributes to 40 SDG targets measured through 53 unique SDG indicators.

19. The 40 *Outputs* in the 2018-21 results framework follow a more standardized formulation around FAO's Core Functions (norms and standards, data and information, policy dialogue, capacity development, knowledge and technologies, partnerships, advocacy and communication).

Adjustments

20. *Web Annex 1* presents the updated results framework for 2018-21. Changes compared to the MTP 2018-21/PWB 2018-19 Annex 2 (Results Framework) include the completion of missing Functional Objective key performance indicators (KPI) targets and the reformulation of some indicators, in particular:

- a) a new formulation for outcome indicator 4.1.B (replacing the original outcome indicators 4.1.B and 4.1.C) to make it clearer that FAO is supporting countries to participate in the formulation of trade agreements by analysing the impact of trade on food security, capacity building and facilitating dialogue among stakeholders and not by involvement in the fora in which trade rules are agreed;
- b) a new KPI under Functional Objective 10 in line with the recommendation of Council at its 156th session to expedite and monitor the closure of outstanding recommendations of the Inspector-General, particularly those prior years' recommendations relating to high risks.

B. Work planning

21. Work planning is the internal process that defines the results in terms of corporate Output targets contributing to the Strategic Objectives. It also identifies specific deliverables, resource allocations and accountabilities for implementation. The process was carried out after approval by the Conference of the Programme of Work and level of the budget in July 2017 and prior to implementation in January 2018.

22. Building on the lessons learned during 2016-17, some innovations to the 2018-19 work planning process were introduced, which are aimed to achieve a stronger articulation between the “bottom-up” priorities and needs from the country level with the “top-down” strategic and technical directions, guided by the Strategic Programme teams.

Strategic Objectives

23. The five Strategic Programmes are designed, planned, managed and monitored by the Strategic Programme Leaders and their management teams to achieve the Outputs in the results framework, under the overall direction of the Deputy Director-General (Programmes). The Strategic Programmes are delivered by teams comprising staff from technical divisions and decentralized offices operating through Service Level Agreements, which define the products and services to be delivered contributing to the Outputs and the allocation of resources.

24. Two main innovations have been introduced:

- a) To help focus work at country level, the Service Level Agreements for 2018-19 aim to better match deliverables and resources, including identifying technical support needs from technical divisions and regional offices, and leveraging partnerships with national and regional institutions, guided by the priorities in the Regional Initiatives and country programming frameworks.
- b) To ensure that the Strategic Programme (SP) teams have adequate capacity to coordinate the delivery of the agreed contributions under the Service Level Agreements, a dedicated position of Programme Officer has been added to each SP team, as set out in *Section III*.

25. During the 2018-19 work planning process from July to November 2017, the Strategic Programme Teams and Regional Programme Leaders have worked closely with the Regional Representatives, FAO Representatives, and technical divisions to define key results expected to be achieved during the biennium at the country, regional, and global level. The Strategic Objective teams reviewed the results and related Output targets for quality and relevance. The Output indicators and targets for 2018-19 are presented in *Web Annex 2*.

26. The work planning process has resulted in some shift of resources among budgetary chapters, as outlined in *Section IV*. Some further budgetary chapter shifts may result from the refinement of work planning in the last two months of 2017 and from any guidance from the Regional Conferences which take place in the first half of 2018. Any such shifts will be reported during the biennium to the Finance Committee in the Annual Reports on Budgetary Performance in accordance with Financial Regulation 4.5.

27. Furthermore, the estimated level and distribution of voluntary contributions has been updated based on a project-by-project review of delivery estimates and project contributions to corporate outputs. The work planning process, which focuses on expected results from all sources of funds, continues to strengthen the synergies and complementarities between assessed contributions and extrabudgetary resources. The Conference, in the Budgetary Appropriations Resolution for 2018-19 (12/2017), encouraged Members to provide voluntary contributions to facilitate achievement of the Strategic Objectives and implementation of the integrated Programme of Work under the results framework. The updated estimates of voluntary contributions by budgetary chapter are shown in *Section IV, Table 3*.

Objective 6: Technical quality, statistics and cross-cutting themes (climate change, gender, governance, nutrition)

28. Objective 6 ensures the quality and integrity of FAO’s technical knowledge and services in six key areas of work cutting across the Strategic Objectives: technical leadership, statistics, gender, governance, nutrition and climate change.

Statistics

29. High-quality statistics are essential for designing and targeting policies to reduce hunger, malnutrition and rural poverty and to promote the sustainable use of natural resources. They provide

the foundation for evidence-based decision-making for governments and the international community, and play a critical role in measuring and monitoring progress towards national and international development goals and targets.

30. During 2018-19, the Office of the Chief Statistician (OCS) will coordinate FAO's statistical system with a particular focus on: reviewing international classifications and methodological frameworks to increase their relevance and comparability; making FAOSTAT more accessible, user-friendly and comprehensive; leading FAO's role as custodian agency for 21 SDG indicators; strengthening national statistical offices, systems and institutions to generate high-quality and relevant data; and strengthening the links between statistics and decision-making. Opportunities to use statistics in each Strategic Programme are also sought and incorporated in the 2018-19 work plans. The refocusing of statistics and the approach embraced to deliver statistics across the Organization has resulted in the reformulation of two KPIs and four Outputs in Objective 6.2 (*Web Annex 1*), as well as some resource shifts from Objective 6 into the Strategic Objectives, as shown in *Section IV*.

Cross-cutting themes (gender, governance, nutrition, climate change)

31. The delivery of the Outputs and achievement of the Outcomes and Strategic Objectives depends on addressing key cross-cutting issues. Outcomes 6.3 to 6.6 provide for the leadership and coordination mechanisms to mainstream gender, governance, nutrition and climate change in the Strategic Objective programmes.

32. To mainstream means to explicitly address gender, governance, nutrition and climate change issues in planning, implementation and monitoring of the SO Outputs and Outcomes in four ways:

- a) work that is planned under Outcomes 6.3 to 6.6 focuses on identifying the priorities for the biennium to address the cross-cutting issues and on developing related approaches, setting standards and building capacities within FAO to address these issues;
- b) work that is planned under the Strategic Objectives incorporates and uses the priorities to address cross-cutting issues in the defined delivery mechanisms;
- c) key performance indicators measure the quality and extent of the coordination and provision of internal cross-cutting technical services, while the relevant SO Output indicator qualifiers track the use of gender, governance, nutrition and climate change issues to help deliver SO Outputs;
- d) lead managers responsible for Outcomes 6.3 Gender (Director, ESP); 6.4 Governance (ADG-ES); 6.5 Nutrition (Director, ESN), and 6.6 (Director, CBC) and their focal point networks work closely with the SO teams.

Functional Objectives

33. The Functional Objectives provide the enabling environment (outreach; information technology; FAO governance, oversight and direction; administration) necessary for the successful delivery of FAO's Programme of Work. Managers of the responsible business units set performance standards in work plans. Internal monitoring mechanisms are in place to track performance of the Functional Objectives through key performance indicators (KPIs) (*Web Annex 1*).

Risk management and internal controls

34. The Director-General with the strong endorsement and support of the Organization's governing bodies, as well as external and internal auditors, continues to emphasize the need for strong internal control, effective management of risks and enforcement of accountability.

35. FAO will continue to strengthen its risk management capabilities, including fraud prevention and detection. An assessment of the Organization's current risk management practices and capabilities is in preparation and will guide efforts to strengthen awareness and practices throughout the Organization.

36. In March 2018, the Director-General will deliver, for the first time, a Statement of Internal Control (SIC) to accompany the financial statements for 2017. The SIC will then become an annual

reporting feature and will be accompanied by further efforts to streamline monitoring and reporting processes, such as by integrating the instructions for annual reports, internal control reporting and corporate end-of-biennium assessment preparation by country offices. Particular attention is also being devoted to the managerial oversight capacity and functions of the regional offices, taking into consideration audit and evaluation recommendations.

III. Measures to strengthen programme delivery

A. Enhanced implementation arrangements

37. Enhancements to the implementation arrangements continue to be made to ensure accelerated and improved programme delivery under the five Strategic Programmes.
38. Each Strategic Programme is led by a Strategic Programme Leader and a small management team at headquarters. At the Regional level, the Regional Programme Leaders help focus and ensure delivery of programmes and achievement of results at country level.
39. The positions of the Strategic Programme Leaders plus two support staff per SP team, were already included as budgeted posts in the Adjustments to the Programme of Work and Budget 2016-17,⁶ and approved by the Council at its 153rd session, while in the PWB 2018-19, the regularization of the positions of Regional Programme Leaders, who were put in place on a trial basis in 2016, was included and approved by the Conference at its 40th session.
40. Given the importance of the role of coordinating the delivery of the agreed contributions under the Service Level Agreements, which emerged during the work planning process, an additional budgeted position of Programme Officer has now been added to each SP management team. The five new professional posts are offset by the abolition of five non-technical posts through ongoing streamlining and efficiency measures in the Conference, Council and Protocol Affairs Division (CPA), the Office for Corporate Communications (OCC), the Corporate Services Department (CSD), and the Office of Human Resources (OHR).
41. Furthermore, Management will take measures within its authority to adjust the seconded membership of the SP teams including through rotation of staff while compensating technical divisions. As an incentive for technical departments, the secondment of staff to SP teams will count against their annual corporate mobility target.
42. In addition, the allocation of non-staff resources from departments for planning by the SP teams to support delivery of the Strategic Programmes will continue in 2018-19, following the success of this approach in 2017.
43. These changes are a recognition of the importance of the SP teams in the institutional architecture of the Organization, complementary to the established divisional and departmental structures. Accordingly, the strengthening of the SP teams, and their operational capacity and effectiveness, is an important corporate aim, as well as being essential for the delivery of FAO's Strategic Objectives.

B. Organizational Structure

44. Two new subregional offices were approved by the Council in June 2016 and are expected to be established and operational by the beginning of the 2018-19 biennium, as reflected in *Web Annex 3*. Furthermore, one subregional office is being further strengthened.
45. The new Subregional Office for Mashreq Countries (SNM) is being established in Beirut, Lebanon, with the support to host this office agreed with the Government of Lebanon. The SNM Multidisciplinary Team, to be fully covered by extrabudgetary resources, will include experts in the areas of policy, resilience, climate change, plant protection, agro-industries, and rural organizations and extension. The Subregional Coordinator position, shown in the SNM budgeted post establishment, is a transformation of the original FAOR position in Lebanon.
46. The new Subregional Office for West Africa (SFW) is expected to be established by the end of 2017. The exact composition of the SFW Multidisciplinary Team is still under discussion, but will be established through a combination of post transfers from the Regional Office for Africa (RAF),⁷

⁶ CL 153/3

⁷ It is estimated that 6 Professional, 2 NPOs, and 5 General Service positions would be transferred from RAF to SFW.

which currently covers the functions for the subregion, and posts funded under the host country agreement.

47. The Subregional Office for the Gulf Cooperation Council States and Yemen (SNG) is being strengthened following additional support from the United Arab Emirates Government. The new Multidisciplinary Team of SNG will provide expertise in the areas of economic and social development, plant production and protection, water management and irrigation, fisheries and aquaculture, and livestock development.

48. Regarding the Organizational structure at headquarters, Conference approved the new title of the Partnerships and South-South Cooperation Division (formerly Partnerships, Advocacy and Capacity Development Division), which is reflected in *Web Annex 3*.

C. FAO Country Office Network

49. As noted in the PWB 2018-19, the Secretariat has embarked on a review of the scope and modalities of country coverage in each region in line with the guidance of the Council at its 154th session in May-June 2016. The Council recognized the need to update the coverage of FAO's decentralized offices, supported the principles and the criteria to be applied in a region-specific manner as identified by the Independent Review of the Decentralized Offices Network, and endorsed the recommendations arising from each of the 2016 Regional Conferences on a cost-neutral basis.

50. The current country office staffing models are not well-aligned to countries' needs. In particular, the very high share of resources dedicated to staff costs in the FAOR network net appropriation budget limits the Organization's flexibility to adjust to emerging needs and invest in evolving expertise requirements.

51. Therefore, during the biennium the Secretariat will progressively adjust the modalities of country coverage and take measures to increase flexibility in the use of the budgeted resources. To achieve this, a streamlined country office staffing model will be gradually introduced based *inter alia* on the size and relative complexity of the country programme including voluntary contributions and partnerships.

52. Over time, this approach will allow net appropriation resources to be reallocated within the country office network budget of each region on a cost-neutral basis, according to country-specific and emerging needs and priorities (LIFDCs,⁸ low and lower middle-income categories, SIDS,⁹ etc.). Priority will be given to investing in technical capacities, partnership building, outreach, and South-South and Triangular Cooperation.

D. Transformation of the Shared Services Centre into "one" global back office

53. The Shared Services Centre (SSC) hubs of Budapest, Santiago and Bangkok are being consolidated functionally into one Global Team to increase consistency, transparency and performance. All transactions, globally, will be processed in a single location, SSC Budapest (acting as a back office). The primary role of this back office will be to assure quality and compliance to standards across all of FAO (with a key focus on transaction costs).

54. The three SSC hubs of Santiago, Bangkok and Budapest will form a new virtual "SSC One Team" (acting as a front office), representing the first point of contact for help and advice on the execution of administrative processes and procedures to all staff across respective regions/time zones. The SSC hubs will also be equipped to carry out support for emergencies allowing for a "follow the sun" support model. The consolidation will contribute to the containment of administrative services through economies of scale and process integration, while improving the overall quality of administrative service delivery.

⁸ Low-income, food-deficit country (LIFDC)

⁹ Small Island Developing States (SIDS)

IV. Adjustments to PWB budgeted post establishment and budgetary chapter distribution

55. Given the approval by Conference of the budgetary appropriations for 2018-19 as presented in the PWB 2018-19,¹⁰ changes to the budgetary post establishment and budgetary chapter distribution are minimal. Nonetheless, the initial work planning for 2018-19 and measures to strengthen programme delivery have resulted in some changes in post and resource distributions, as outlined in the earlier *Sections*. This Section presents the net overall impact on budgeted posts and budgetary chapter distributions of these changes for review by the Programme and Finance Committees and approval by the Council. It also provides the updated level and distribution of extrabudgetary resources for information.

A. Adjustments to the PWB post establishment distribution

56. The changes to the budgeted post establishment are limited to the re-profiling of five budgeted non-technical posts as Programme Officers in the Strategic Programme management teams, and the transfer of posts from within the approved establishment level to the two new subregional offices, as set out in *Section III*. A few other post shifts are also reflected, which relate to the finalization of organizational structure adjustments presented in the PWB 2018-19, namely the transfer of administrative law functions and the legal aspects of human resources policy to the Legal and Ethics Office, and the consolidation of the stewardship of South-South Cooperation and triangular partnerships in the Partnerships and South-South Cooperation Division.¹¹ The resulting changes in the post counts and grade groups by department, division and office are tabulated in *Web Annex 4*. Concerning distribution of posts by location and grade category, there is no change as shown in *Table 1*.

Table 1: Evolution of budgeted posts by location and category

Grade Category	PWB 2018-19	Change	Adjusted PWB 2018-19
Headquarters			
Professional and above	891	0	891
General Service	576	0	576
Total Headquarters	1,467	0	1,467
Decentralized			
Professional and above	643	0	643
General Service	835	0	835
Total Decentralized	1478	0	1,478
All locations			
Professional and above	1,534	0	1,534
General Service	1,411	0	1,411
Total all locations	2,945	0	2,945

¹⁰ C 2017/REP, Resolution 12/2017

¹¹ C 2017/3 paragraphs 91 - 94

B. Budgetary chapter distribution

57. *Table 2* shows the net impact on the budgetary chapter distribution of changes which have taken place:

- a) Column 1 recalls the budgetary chapter distribution approved in Conference Resolution 12/2017;
- b) Column 2 presents the net effect of adjustments arising from reallocations arising from work planning, reallocations from measures to strengthen programme delivery, and some technical adjustments;
- c) Column 3 presents the adjusted distribution of the 2018-19 budgetary appropriation for approval by the Council, in line with Financial Regulation 4.5.

Table 2: Adjusted 2018-19 Budget by Strategic/Functional Objective (USD thousands)

Budget Chapter	Strategic/Functional Objectives	Conference Resolution 12/2017	Change	Adjusted PWB 2018-19
1	Contribute to the eradication of hunger, food insecurity and malnutrition	82,128	323	82,451
2	Make agriculture, forestry and fisheries more productive and sustainable	196,952	165	197,117
3	Reduce rural poverty	66,207	320	66,527
4	Enable more inclusive and efficient agricultural and food systems	105,399	480	105,879
5	Increase the resilience of livelihoods to threats and crises	54,136	214	54,350
6	Technical quality, statistics and cross cutting themes (climate change, gender, governance and nutrition)	68,883	(232)*	68,651
7	Technical Cooperation Programme	140,788	0	140,788
8	Outreach	78,754	(124)	78,630
9	Information Technology	36,244	0	36,244
10	FAO governance, oversight and direction	70,923	(375)	70,548
11	Efficient and effective administration	65,308	(773)	64,535
12	Contingencies	600	0	600
13	Capital Expenditure	16,892	0	16,892
14	Security Expenditure	22,421	0	22,421
	Total	1,005,635	0	1,005,635

* *Refocusing of resources and activities to provide greater statistical support to the Strategic Programmes*

58. The net increases in the five Strategic Objectives (Chapters 1 through 5) are mainly the result of the establishment of the Programme Officer positions in the SP teams and are covered by the reductions in Chapters 8, 10, and 11. There is also some re-alignment of resources and activities from Objective 6 to the Strategic Programmes, as a result of refocusing to provide greater statistical support to the Strategic Programmes, as outlined in *Section II.B*, as well as further refinement of the programmatic focus of the new posts established in the PWB 2018-19. The net impact on resource allocations by organizational unit is shown in *Web Annex 5*.

C. Updated estimates of extrabudgetary resources

59. The Programme of Work is funded by the net appropriation voted by Conference (assessed contributions) and extrabudgetary resources generously provided through voluntary contributions. The estimates of delivery of extrabudgetary resources are based on operational projects that will extend into the 2018-19 biennium, proposed projects in the pipeline and likely to be approved, and prospects based on project ideas and positive contacts with partners.

60. As noted in *Section II*, the estimated level and distribution of extrabudgetary resources has been updated based on a project-by-project review of delivery estimates and project contributions to corporate outputs. The updated estimates of extrabudgetary resources by chapter are shown in *Table 3* column 2. Together with the adjusted distribution of the net appropriation, the total resources expected to be available to the Organization to deliver the integrated Programme of Work are shown in column 3 for information.

Table 3: Adjusted 2018-19 Budget Proposal by Strategic/Functional Objective and funding source (USD thousands)

Budget Chapter	Strategic/Functional Objectives	Net Appropriation	Extra-budgetary	Total
1	Contribute to the eradication of hunger, food insecurity and malnutrition	82,451	186,015	268,467
2	Make agriculture, forestry and fisheries more productive and sustainable	197,117	459,724	656,841
3	Reduce rural poverty	66,527	91,945	158,473
4	Enable more inclusive and efficient agricultural and food systems	105,879	141,385	247,264
5	Increase the resilience of livelihoods to threats and crises	54,350	654,701	709,051
6	Technical quality, statistics and cross cutting themes (climate change, gender, governance and nutrition)	68,651	20,458	89,109
7	Technical Cooperation Programme	140,788	0	140,788
8	Outreach	78,630	1,059	79,689
9	Information Technology	36,244	0	36,244
10	FAO governance, oversight and direction	70,548	939	71,487
11	Efficient and effective administration	64,535	7,910	72,445
12	Contingencies	600	0	600
13	Capital Expenditure	16,892	0	16,892
14	Security Expenditure	22,421	231	22,652
	Total	1,005,635	1,564,368	2,570,003

61. The indicative level of net appropriation and extrabudgetary resources expected to be available in each region is shown by budgetary chapter in *Web Annex 6*.

V. Decisions required

62. The Programme and Finance Committees are requested to consider the Adjustments to the PWB 2018-19 and the Council is requested to:

- a) take note that the guidance and decisions of the Conference have been implemented;
- b) take note of the updated results frameworks (*Web Annex 1*) and the Output targets and indicators for the Strategic Objectives (*Web Annex 2*);
- c) take note of the updated organizational structure (*Web Annex 3*) and the revised budgeted post establishment (*Web Annex 4*);
- d) approve the revised distribution of the net appropriation by budgetary chapter as reflected in *Table 2*; and
- e) take note of the updated estimates of extrabudgetary resources (*Table 3*) and encourage Members to provide voluntary contributions to facilitate achievement of the Strategic Objectives and implementation of the integrated Programme of Work.

63. The Council is also requested to note that further budgetary transfers could arise as a result of guidance from the Regional Conferences, further work planning, and from the most efficient and effective modalities of implementation during the biennium. Within chapter transfers and transfers from one chapter to another required to implement the PWB during the biennium will be handled in accordance with Financial Regulation 4.5.