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منظمة  
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# COUNCIL

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**ADJUSTMENTS TO THE PROGRAMME OF WORK  
AND BUDGET 2020-21**

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## I. Background and scope

1. The Forty-first session of the Conference in June 2019 considered the Director-General's Medium Term Plan (MTP) 2018-21 (reviewed) and Programme of Work and Budget (PWB) 2020-21.<sup>1</sup> The Conference approved the budgetary appropriations for the 2020-21 biennium and provided guidance on the substance of the proposals.<sup>2</sup>
2. In line with the established programme planning cycle,<sup>3</sup> the Director-General has reflected the Conference's decisions and guidance in the adjustments to the PWB 2020-21.
3. Further to the Director-General's election at the 41<sup>st</sup> session of the Conference on 23 June 2019, the document also presents initial adjustments incorporating his vision and focus of building a dynamic FAO for a better world, while remaining committed to the original aspirations, mandate and mission of the Organization. The new Director-General is thoroughly committed to improving FAO's ways of working through even greater inclusiveness and on a "One-FAO" model. Some important orientation toward a 'digital' FAO will also shape the future of the Organization.
4. The vision is for an Organization which serves member countries and works for the people and the farmers; offers tailored support through match-making and partnerships; facilitates cooperation and the exchange of resources, technology, and knowledge; and which calls on politicians, professionals, the private sector and farmers to work together and deliver together in support of the 2030 Agenda for Sustainable Development.
5. With united, efficient and energetic staff, enabling policies, innovative approaches, stronger investment and capacity building of member countries, we together can tackle the challenges that lie ahead and achieve the 2030 Agenda.
6. The Adjustments to the PWB 2020-21 is presented for consideration by the Programme and Finance Committees and approval by the Council at its 163<sup>rd</sup> session in December 2019.

### A. Decisions and guidance of the Conference

7. The Conference approved the Programme of Work and voted a budgetary appropriation of USD 1,005.6 million at the budget rate of exchange for 2020-21 of Euro 1 = USD 1.22 (Resolution 13/2019).
8. In approving the Programme of Work, the Conference appreciated the close alignment of FAO's Strategic Objectives with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), and supported the priorities, areas of de-emphasis and resource allocations, including the additional resources for innovative and sustainable agriculture approaches and for combating all forms of malnutrition and promoting nutrition-sensitive, sustainable food systems.
9. Furthermore, the Conference requested that FAO increase the funding in the PWB 2020-21 for:
  - a) FAO's work on the International Plant Protection Convention (IPPC) and on the Joint FAO/WHO food safety scientific advice programme; and
  - b) mainstreaming biodiversity at FAO.
10. It requested that this be done through efficiencies and cost savings without negatively impacting the delivery of the agreed programme of work or, if necessary, from the areas of technical de-emphasis to the extent feasible.

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<sup>1</sup> C 2019/3

<sup>2</sup> C 2019/REP paragraphs 68 – 74 and CR 13/2019

<sup>3</sup> Basic Texts, Volume II Part F

11. The Conference also authorized the Director-General, notwithstanding Financial Regulation 4.2, to use any unspent balance of the 2018-19 appropriations for one-time uses in 2020-21, based on a proposal to be submitted to and agreed by the Joint Meeting of the Programme and Finance Committees, and the Council at their meetings in May and June 2020.<sup>4</sup>

## B. Scope of the document

12. The Adjustments to the PWB elaborates how the Director-General has incorporated the decisions and guidance of Conference in adjusting the PWB 2020-21 and presents additional proposals for consideration. The document also reports on the work planning process which took place during July to November, and updates on the estimated level and distribution of voluntary contributions

13. The adjustments to the PWB 2020-21 comprise structural and programmatic adjustments (*Section III*), an updated overview of cost increases and efficiency gains (*Section IV*), and an overall summary including the revised budgeted post establishment and distribution of the net appropriation among budgetary chapters (*Section V*).

14. *Section VI* contains information on the work planning process and the results framework and presents the Output indicator targets.

15. It is recalled that both within chapter transfers and transfers from one budgetary chapter to another required to implement the Programme of Work during the biennium will be handled in accordance with Financial Regulation 4.5.

16. The governing bodies will have the opportunity to consider a broader review and adjustment to the implementation of the PWB during 2020, including at the 164<sup>th</sup> session of the Council (June 2020).

## II. Overview of current context

17. The world is undergoing great development and profound reform. The 2030 Agenda for Sustainable Development defines the context in which FAO and its member countries will be working toward reaching the Sustainable Development Goals and achieving country specific targets. FAO is well-positioned to act as a facilitator to assist all countries in realizing the goals of the 2030 Agenda, in particular SDG1: *End poverty in all its forms everywhere*, and SDG2: *End hunger, achieve food security and improved nutrition and promote sustainable agriculture*. Food and agriculture hold the key to realizing the 2030 Agenda, as agriculture is the most inclusive tool to end poverty and hunger.

18. Freedom from hunger is a basic human right, but more than 820 million people in the world are still hungry today, underscoring the immense challenge of achieving the Zero Hunger target by 2030. When also considering people affected by moderate levels of food insecurity, it is estimated that over two billion people do not have regular access to safe, nutritious and sufficient food. Conflicts, climate variability and extremes, and poor economic performance or uneven pace of economic recovery, further exacerbate these numbers. Without food security and nutrition, there will be no chance of peace and development.

19. FAO seeks to attain zero hunger and improve the livelihoods of people through *better production, better nutrition, better environment and a better life*. How FAO does that, is elaborated in the Programme of Work for 2020-21 approved by Conference with some additional adjustments as outlined below.

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<sup>4</sup> The Conference also requested that a proposal be presented to Council in December 2019 on the systematic use of unspent balances of biennial appropriations, following review by the Committee on Constitutional and Legal Matters (CCLM) and the Joint Meeting of the Programme and Finance Committees (CCLM 109/3; JM 2019.2/2).

### III. Structural and programmatic adjustments

20. A first set of initiatives for institutional strengthening are proposed below, in the form of structural, programmatic and operational adjustments. FAO strives for top-level internal governance and an optimal organizational culture to ensure the Organization is fit-for-purpose to tackle the challenging tasks before us. All adjustments are managed within the overall approved budget level of USD 1,005.6 million through cost savings and efficiencies without negatively impacting the delivery of the agreed programme of work, as further outlined under *Sections IV* and *V*.

21. Additional initiatives will be presented to future governing body sessions, including possible further changes to the organizational structure to ensure optimal reporting lines and location of each function. Drawing on recent evaluations and reviews, the efficiency and effectiveness of the matrix management arrangements currently in place will also be further assessed, with possible adjustments to be proposed.

#### A. Structural adjustments

22. The structural adjustments aim to highlight the Organization's unique role and expertise in key areas, as further outlined below. The revised Organigramme is presented in *Annex 1*.

##### *Chief Scientist and Office for Innovation*

23. A new Office for Innovation is established under the Deputy Director-General (Programmes), headed by an Assistant Director General (ADG)/Chief Scientist. The Office for Innovation will further consolidate and strengthen FAO's innovative spirit, including innovation of mindset, innovation of cooperation models, and innovation of application by digitalization.<sup>5</sup> It will help ensure that FAO applies modern science and technology and adopts innovative approaches when facing new situations and challenges. Areas of focus will cover sustainable agricultural approaches, including agroecology, biodiversity, biotechnologies, and Globally Important Agricultural Heritage Systems (GIAHS), sustainable food systems, nutrition, antimicrobial resistance, animal health, digital technology, agricultural machinery and digital agriculture. In addition to the ADG/Chief Scientist, budgeted posts in this Office will include a D-2 Director and two Professional posts. It will be further strengthened by a small number of technical experts (four to five) transferred on a rotational basis from the technical, and the Economic and Social Development, departments. The Secretariat of the Global Forum on Agricultural Research and Innovation (GFAR) will also be housed in this Office.

##### *Office for SIDS, LDCs, and LLDCs*

24. A new Office for SIDS, LDCs and LLDCs<sup>6</sup> is established in the Apex to coordinate FAO's work in this area and to ensure that the special needs of these vulnerable populations and countries are met. The Office is headed by a D-1 Coordinator and includes two new professional posts. It will be further strengthened by three professional staff with relevant expertise to be transferred on a rotational basis from other units of the Organization.

25. This Office will work closely with the Strategic Programme teams, technical officers, Partnerships Division and others with a focus on introducing sustainable and innovative agricultural practices. For example, the nature of the unique challenges faced by SIDS urgently requires a strengthening of inter-sectoral coordination and policy planning processes to help them implement the Global Action Programme on Food Security and Nutrition in Small Island Developing States (GAP),<sup>7</sup> which provides a framework for governments and their development partners to empower SIDS communities to reshape their food systems to boost nutrition and to strengthen their resilience to climate and economic shocks.

<sup>5</sup> It is recalled that USD 2 million were already allocated for innovation in the PWB 2020-21 (document C 2017/3, paragraphs 53, 102 and 157)

<sup>6</sup> Small Island Developing States (SIDS); Least developed countries (LDCs); Land-locked developing countries (LLDCs)

<sup>7</sup> It is recalled that FAO led the development of the UN system-wide GAP, launched in 2017, as a direct response to the call of the SAMOA Pathway to address the complex food security and nutrition challenges facing SIDS.

26. The establishment of the Office for SIDS, LDCs and LLDCs, will allow FAO to scale up its support to the implementation of the GAP by providing policy assistance and capacity building in support of evidence-based policies and programmes complemented by sustained investments. It will also facilitate experience sharing and cooperation between SIDS, LDCs and LLDCs in the design of high-impact programmes on *inter alia* value chain development, climate-resilient farming practices and public-private insurance systems.

### ***Human Resources***

27. The Office for Human Resources (OHR) is moved to the Corporate Services Department to bring the full range of HR management and servicing functions together under one department and ensure better integrated services, including communication with Staff Representative Bodies and FAO's participation in the United Nations Chief Executive's Board's High Level Committee on Management (HLCM). This change will also allow for streamlining of the direct reporting lines to the Director-General. Any related changes to HR processes and procedures will be elaborated over the next months after the arrival of the new Director, OHR. Furthermore, responsibility for covering HR policy matters and administrative actions including issues related to benefits, entitlements and allowances, as well as conduct-related (disciplinary) matters is transferred from the Legal Office to the Office of Human Resources and strengthened by establishing two new Professional positions. The Legal Office will continue to execute administrative law functions and provide expert advice on the legal aspects of human resources policy.

### ***Biodiversity Cluster***

28. A new Biodiversity Cluster is established in the Office of the ADG of the Climate, Biodiversity, Land and Water Department (CBD), with USD 0.8 million in non-staff resources and a new P-5 Senior Biodiversity Officer. The Cluster, under the supervision of the ADG, will coordinate collaboration, maximize synergies and up-scale biodiversity results across FAO, working closely with FAO's technical departments and Strategic Programmes, as well as with governing and statutory bodies. It will support FAO's work with international environmental conventions, and strengthen dialogue and collaboration with relevant sectors, including environment, health and economics.

## **B. Programmatic and operational adjustments**

29. The following programmatic and operational adjustments are proposed in line with governing body recommendations and/or to ensure optimal use and delivery of the Organization's resources.

### ***FAO's work on the International Plant Protection Convention (IPPC) and on the Joint FAO/WHO food safety scientific advice programme***

30. Given the critical importance of FAO's work on scientific advice and standard setting, and as requested by Conference, resources for FAO's work on the International Plant Protection Convention and on the Joint FAO/WHO food safety scientific advice programme are increased by USD 1 million each. The additional resources will contribute to the further development of commodity and pathway standards; the strengthening of national phytosanitary capacities; further development of electronic phytosanitary certification (ePhyto) and increased efforts in addressing emerging pests globally; and the provision of timely and sound scientific advice on the increasingly complex food safety issues.

31. Furthermore, as the quality and integrity of the technical and normative work of the Organization is essential for the achievement of our goals, efforts will be further focused on boosting demand-driven provision of global public goods in food and agriculture.

### ***Agricultural food systems transformation***

32. It is recalled that an additional USD 2 million has been included in the PWB 2020-21 to increase activities that accelerate the transformation to more sustainable, resilient, nutrition-sensitive and inclusive food systems.<sup>8</sup> Particular attention will be placed on FAO's contribution to aligning sustainable food system developments to the 2030 Agenda: ensuring that they provide improved access to healthy diets to address all forms of malnutrition, contribute to equitable economic

<sup>8</sup> C 2019/3, paragraph 54

transformation that reduces poverty, while protecting the natural resource environment and building resilience to climate change.

33. Work will focus on expanding the evidence base that underpins our understanding of the linkages between food systems actions and their impacts on the multiple economic, social and environmental dimensions of sustainability in different geographical contexts and cultural settings. FAO will develop tools to illuminate and analyse the key trade-offs between alternative policy approaches to supporting food system transformation. It will build the capacities of, and convene dialogue between, public and private sector actors to foster coherent policy action and the scaling up of levels of responsible investment and innovation in food systems.

34. In delivering its support, FAO will work with and through the many existing initiatives and alliances seeking to promote food systems transformation, using relevant local, national, regional and global processes and events to engage all food systems actors in defining pathways to collectively deliver more sustainable food systems.

#### ***The Office of the Director-General***

35. In the Office of the Director-General, the re-alignment of some positions will allow for a more coordinated focus on key areas including the Repositioning of the United Nations Development System, Rome-based Agency collaboration, governmental relations, youth, and women.

36. Two Committees will be established, on youth and on women, to act as conduits to drive women and youth career enrichment, as well as engagement within FAO, and gather innovative ideas and approaches to help accelerate the process of achieving FAO's strategic objectives.

37. The Youth Committee aims to represent the collective voice of young FAO employees globally, addressing their needs, expectations and concerns related to working within the Organization, firmly recognizing that young employees are agents of change that can act as catalysts for transformation within the Organization. The Women's Committee provides a platform for women to voice their concerns and protect their rights and interests, and will strive to accelerate efforts to achieve the equal representation of women at all levels, in compliance with the UN System-wide Action Plan (UN-SWAP). Moreover, the Committees are expected to act as a conduit to leverage and advocate the Organization's ongoing programmatic efforts related to women and youth.

#### ***Regional Office strengthening***

38. In each Regional Office, a new Professional position is established to support monitoring and evaluation functions in the region, working closely with the country offices. Overall, knowledge management and M&E<sup>9</sup> functions need significant strengthening in Regional Offices as an important step towards a fully-fledged programmatic approach, enabling a better aggregation of results and integration of good practices and lessons learned, in line with a "managing for results" approach.

#### ***Oversight, finance, and shared services***

39. Efficient and effective oversight functions, as well as strong financial control and human resource management are key aspects of a well-functioning organization. The PWB 2020-21 includes resources to separate the functions of ethics and ombudsman,<sup>10</sup> and the following additional adjustments are included in the current document.

40. To ensure best practice in the set-up and reporting lines of the Organization's oversight functions, the Legal and Ethics Office has been separated into two distinct offices, each reporting to the Director-General. Furthermore, a new Professional post has been established for the Ombudsman function. The post is placed in the Office of Strategy, Planning and Resources Management (OSP) for administrative purposes, but the Ombudsman remains functionally independent and has direct access to the Director-General to draw attention to individual or collective issues, as necessary.

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<sup>9</sup> Monitoring and evaluation (M&E)

<sup>10</sup> C 2019/3, paragraph 66 c)

41. In the Office of the Inspector-General, additional non-staff resources (USD 0.4 million) are budgeted to strengthen the investigations function. Furthermore, the four auditor posts currently located in the Regional Offices are re-located to headquarters, which will allow for synergies from having a pool of auditors in one location where assignments can be given based on the profile (language skills, experience) instead of the location of the auditor.

42. In the Finance Division, a new position of D-1 Deputy Director is added to the existing establishment. The addition of this position will strengthen managerial oversight, ensuring the Division maintains the integrity of its function in particular given the steady increase in voluntary contributions over recent biennia.

43. In the Shared Services Centre (SSC) hub in Budapest, a review is underway to augment the SSC's capacity to provide functional ERP<sup>11</sup> support in order to bridge the gap between clients, policy owners and the IT Division. Furthermore, the general service post structure is under review to better align it with that of the other agencies in Budapest, in order to reduce the risks of attrition while addressing the issue of fairness and competitiveness of FAO staff compensation. Any changes stemming from these reviews would be implemented on a cost-neutral basis.

#### ***Hand-in-Hand initiative***

44. The Hand-in-Hand initiative, aims to increase impact in countries that mostly need help in achieving SDGs 1 and 2, as well as provide support toward the achievement of all other SDGs. The initiative, which does not result in any budgetary adjustments, will contribute to closing the food gap, support economic development, end malnutrition and reduce environmental impact, through a "matchmaking" mechanism that brings together countries with the highest poverty and hunger rates with developed countries to achieve SDG1 target 1.1, 1.3 and 1.5 and SDG2 targets 2.1 and 2.2.

45. Building partnerships at all levels, the Hand-in-Hand initiative will channel commitment between recipient and donor countries, coordinate with multilateral development banks, UN agencies, and other key stakeholders. The FAO platform of agricultural typologies will help identify opportunities at national level for priority countries, as well as bottlenecks and investment gaps. The initiative will initially focus on LDCs, LLDCs, SIDS and countries in global food crises, followed by targeting highly-populated, less developed countries at subnational level.

#### ***Resource mobilization and operational delivery***

46. Resource mobilization is a corporate effort, encompassing both headquarters and decentralized levels, which requires a strong focus and new approaches including forging new platforms for financial cooperation with the private sector and new mechanisms for programmatic funding in support of the Agenda 2030. A review is being undertaken, drawing *inter alia* on recent evaluations, to ensure a coordinated organizational approach and sound policies and efforts for resource mobilization.

47. Similarly, the Organization must ensure timely, efficient, and effective delivery of projects and programmes funded by extrabudgetary and Technical Cooperation Programme (TCP) resources. Taking into consideration recent evaluations and audits, as well as opportunities offered by the development of a new project management system, the Organization is reviewing mechanisms and approaches to improve project performance.

48. Any budgetary or organizational adjustments arising from the above reviews will be reported during the 2020-21 implementation period.

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<sup>11</sup> Enterprise Resource Planning (ERP)



## IV. Update of cost increases for 2020-21 and other efficiency gains and savings

49. The Conference encouraged continued monitoring of costs increase assumptions and further review of opportunities for savings and efficiency measures in order to facilitate consideration of the proposals by the Council in December 2019.<sup>12</sup> The results of this further monitoring and review is outlined below.

### A. Update of cost increases for 2020-21

50. Document C 2019/3 Medium Term Plan 2018-21 (reviewed)/Programme of Work and Budget 2020-21 was published in February 2019, nearly 11 months before the beginning of the 2020-21 biennium to which it applies. The PWB 2020-21 includes anticipated cost increases, which form an integral part of the overall budget level. In the months following the publication of the document, trends and decisions that could impact the estimated cost increases for 2020-21 continue to be monitored by the Secretariat. Any significant changes to the cost increase assumptions and estimates arising from new information or decisions are reported to the governing bodies as requested by the Conference. This section provides an update on the estimated cost increases for 2020-21.

51. The updated estimate for 2020-21 assumes total cost increases of USD 14.4 million, i.e. a downward adjustment of USD 5.4 million from the estimate of USD 19.8 million in the PWB 2020-21,<sup>13</sup> with estimates for personnel services at USD 9.8 million and for goods and services at USD 4.6 million.

52. For personnel services, new information has been assessed stemming from the International Civil Service Commission (ICSC) recommendations and decisions,<sup>14</sup> as well as recent policy decisions of the Organization. Six areas were identified that resulted in changes, both increases and decreases, to the estimated staff costs as further detailed in *Web Annex 2*, with an overall net effect of a downward revision of USD 4.3 million. The largest element contributing to the downward adjustment is the cancellation of the estimated increase for after-service staff benefits (USD 6.7 million) taking into account the decrease experienced in the most recent actuarial valuation of staff-related liabilities<sup>15</sup> and the unpredictable nature of the future valuations that will become the basis for the 2020-21 expenditures.

53. For goods and services, estimated cost increases were lowered by USD 1.1 million to USD 4.6 million, equivalent to a 1.1 percent increase in the biennium. While EIU CPI<sup>16</sup> forecasts have also gone down in the months following the publication of the PWB document, this remains a conservative estimate compared to the EIU CPI forecasts for the World (3.4 percent and 3.2 percent for 2020 and 2021 respectively) and Italy (1.1 percent and 1.3 percent for 2020 and 2021 respectively).

### B. Efficiency gains and savings

54. It is recalled that the PWB 2020-21 included savings estimated at USD 27.8 million associated with the improved recovery of direct and indirect support costs from the implementation of Trust Fund projects. Ongoing review of trends in Trust Fund project implementation and associated recoveries has resulted in an increase in the estimated savings by USD 1.9 million, for a total estimated savings of USD 29.7 million.

55. Some streamlining of posts in non-technical units of the Organization resulted in nine post abolitions, with no incumbency issues, and USD 2.2 million in savings.

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<sup>12</sup> C 2019/REP paragraph 70 d)

<sup>13</sup> C 2019/3 paragraph 113

<sup>14</sup> Resolution A/RES/73/273 and Annual Report for 2019

<sup>15</sup> [FC175/4 Rev.1 2018 Actuarial Valuation of Staff Related Liabilities](#)

<sup>16</sup> Economist Intelligence Unit (EIU) Consumer Price Index (CPI)

## V. Summary of Adjustments

56. The following section presents the resources required for the proposed changes and their funding sources. It also provides an overview of the net impact on budgeted posts and budgetary chapter distributions, for review by the Programme and Finance Committees and approval by the Council. The updated forecasted level and distribution of extrabudgetary resources is also presented, for information.

### A. Proposed adjustments and sources of funding

57. *Table 1* illustrates in summary format the adjustments proposed and the sources of funding for the proposals to remain within the approved budgetary appropriation of USD 1,005.6 million.

**Table 1: Proposed adjustments and sources of funding (USD million)**

	USD million
<b>Proposed adjustment</b>	
Office for Innovation*	0.6
Biodiversity Cluster	1.4
Office for SIDs, LDCs and LLDCs	1.7
International Plant Protection Convention (IPPC)	1.0
Joint FAO/WHO food safety scientific advice programme	1.0
Monitoring and Evaluation post in each Regional Office	2.1
Strengthening the investigations function in OIG	0.4
Deputy Director in Finance Division	0.5
HR policy posts	0.8
<i>Total proposed adjustments</i>	<b>9.5</b>
<b>Source of funding</b>	
Downward adjustment of cost increases	5.4
Improved recovery of direct and indirect support costs	1.9
Streamlining of posts in non-technical units	2.2
<i>Total sources of funding</i>	<b>9.5</b>
<b>Net total</b>	<b>0.0</b>
*Incremental resources to the USD 2 million already budgeted for innovation in the PWB 2020-21 (C 2019/3, paragraph 53)	

58. The proposed adjustments result in a re-programming of USD 9.5 million in the 2020-21 programme of work. The resources for these adjustments are obtained through cost savings and efficiencies without negatively impacting the agreed programme of work.

## B. Adjustments to the PWB budgeted post establishment

59. Post changes arise mainly from the above structural and programmatic adjustments and priority reallocations and streamlining of posts in non-technical units. The evolution of budgeted posts by location and category is summarized in *Table 2*.

**Table 2: Evolution of budgeted posts by location and category**

Grade category	PWB 2020-21	Change	Adjusted PWB 2020-21
<b>Headquarters</b>			
Director and above	74	4	78
Professional	824	18	842
General Service	567	(17)	550
<b>Total Headquarters</b>	<b>1,465</b>	<b>5</b>	<b>1,470</b>
<b>Decentralized</b>			
Director and above	51	0	51
Professional	602	3	605
General Service	827	(1)	826
<b>Total Decentralized</b>	<b>1,480</b>	<b>2</b>	<b>1,482</b>
<b>All Locations</b>			
Director and above	125	4	129
Professional	1,426	21	1,447
General Service	1,394	(18)	1,376
<b>Total All Locations</b>	<b>2,945</b>	<b>7</b>	<b>2,952</b>
<i>Note: Professional counts in decentralized offices in the Adjusted PWB include 32 officers outposted from headquarters: 1 liaison officer, 22 TCI investment officers, 5 finance officers, 2 legal officers and 2 field security officers. The 25 junior professional posts are included in the headquarters count.</i>			

60. At headquarters, the additional four director posts and seven of the professional posts are created in the priority areas of innovation, SIDS, LDCs and LLCs, finance, HR and ombudsman services. Furthermore, the four auditor posts currently located in the Regional Offices are re-located to headquarters as described in *Section III*.

61. In decentralized offices, the increase in professional post counts is mainly due to the creation of five regional posts to support monitoring and evaluation functions.

62. Four professional posts and five general service posts in non-technical areas (mainly communications, support to decentralized offices, and partnerships) were abolished to reap some efficiency savings. The additional overall net reduction in the general service grade group is mainly due to the continued streamlining of support functions in response to evolving needs of technical divisions and decentralized offices, allowing creation of a limited number of junior professional positions.

63. The resulting changes in the post counts and grade groups by department, division and office are tabulated in *Web Annex 5*.

### C. Adjustments to the budgetary chapter distribution

64. *Table 3* 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 13/2019;
- b) *Column 2* presents the net effect of the shifts arising from reallocations from measures to strengthen programme delivery and the impact of the funding measures as presented in *Table 1*, and some technical adjustments; and
- c) *Column 3* presents the adjusted distribution of the 2020-21 budgetary appropriation for approval by the Council, in line with Financial Regulation 4.5.

**Table 3: Adjusted 2020-21 Budget by Strategic/Functional Objective (USD thousands)**

Budget Chapter	Strategic/Functional Objectives	Conference Resolution 13/2019	Change	Adjusted PWB 2020-21
1	Contribute to the eradication of hunger, food insecurity and malnutrition	85,470	(341)	85,129
2	Make agriculture, forestry and fisheries more productive and sustainable	199,885	1,460	201,345
3	Reduce rural poverty	67,286	(837)	66,449
4	Enable more inclusive and efficient agricultural and food systems	107,964	3,059	111,023
5	Increase the resilience of livelihoods to threats and crises	54,590	80	54,670
6	Technical quality, statistics and cross cutting themes (climate change, gender, governance and nutrition)	69,245	(282)	68,963
7	Technical Cooperation Programme	140,788	0	140,788
8	Outreach	74,507	(1,338)	73,169
9	Information Technology	36,687	(526)	36,161
10	FAO governance, oversight and direction	64,095	(1,736)	62,359
11	Efficient and effective administration	65,206	460	65,666
12	Contingencies	600	0	600
13	Capital Expenditure	16,892	0	16,892
14	Security Expenditure	22,421	0	22,421
	<b>Total</b>	<b>1,005,635</b>	<b>0</b>	<b>1,005,635</b>

65. Concerning the resources for the five Strategic Objectives (Chapters 1 to 5), there is a net increase of USD 3.4 million, consisting of a programmatic increase of USD 7.8 million and a downward adjustment for lower cost increases and improved cost recovery of USD 4.4 million. The increase is the result of the additional allocations for the Office of Innovation (USD 0.6 million under SOs 2 and 4), Biodiversity Cluster (USD 1.4 million in SO2), Office for SIDS, LDCs, and LLDCs (USD 1.7 million in SOs 2 and 4), IPPC and Joint FAO/WHO food safety scientific advice programme (USD 2 million in SO4), and monitoring and evaluation posts in each Regional Office (USD 2.1 million in SOs 1 through 5).

66. Resources in the Functional Objectives decrease by USD 3.1 million arising from the above-mentioned downward adjustment of cost increases, the streamlining of posts in non-technical units, as well as improved cost recovery of support costs (Chapters 8 and 10 mainly). These reductions are

partially counterbalanced by the additional allocations for strengthening the investigations function in OIG, Deputy Director in Finance Division, and HR policy posts (Chapters 10 and 11).

#### D. Updated estimates of extrabudgetary resources

67. 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 2020-21 biennium, proposed projects in the pipeline and likely to be approved, and prospects based on project ideas and positive contacts with partners.

68. The estimated level and distribution of extrabudgetary resources has been updated based on a review of delivery estimates and project contributions to corporate outputs. The estimated increase in extrabudgetary delivery of approximately USD 50 million is mainly due to a number of large projects currently in the pipeline and expected to be operational in 2020-21. These are distributed over several strategic objectives, mainly in Asia and Latin America, and include both Green Climate Fund projects and Unilateral Trust Funds. The updated estimates of extrabudgetary resources by chapter are shown in *Table 4* 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 4: 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	85,129	205,349	290,478
2	Make agriculture, forestry and fisheries more productive and sustainable	201,345	502,679	704,024
3	Reduce rural poverty	66,449	110,903	177,352
4	Enable more inclusive and efficient agricultural and food systems	111,023	162,297	273,320
5	Increase the resilience of livelihoods to threats and crises	54,670	885,983	940,653
6	Technical quality, statistics and cross cutting themes (climate change, gender, governance and nutrition)	68,963	38,418	107,381
7	Technical Cooperation Programme	140,788	0	140,788
8	Outreach	73,169	2,204	75,373
9	Information Technology	36,161	0	36,161
10	FAO governance, oversight and direction	62,359	1,021	63,380
11	Efficient and effective administration	65,666	10,895	76,561
12	Contingencies	600	0	600
13	Capital Expenditure	16,892	0	16,892
14	Security Expenditure	22,421	156	22,577
	<b>Total</b>	<b>1,005,635</b>	<b>1,919,906</b>	<b>2,925,541</b>

## VI. Work planning and results framework

69. 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. The 2020-21 results-based work planning process is being undertaken during July to November 2019 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.

### *Programmatic framework for results and monitoring*

70. 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, 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

71. 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:

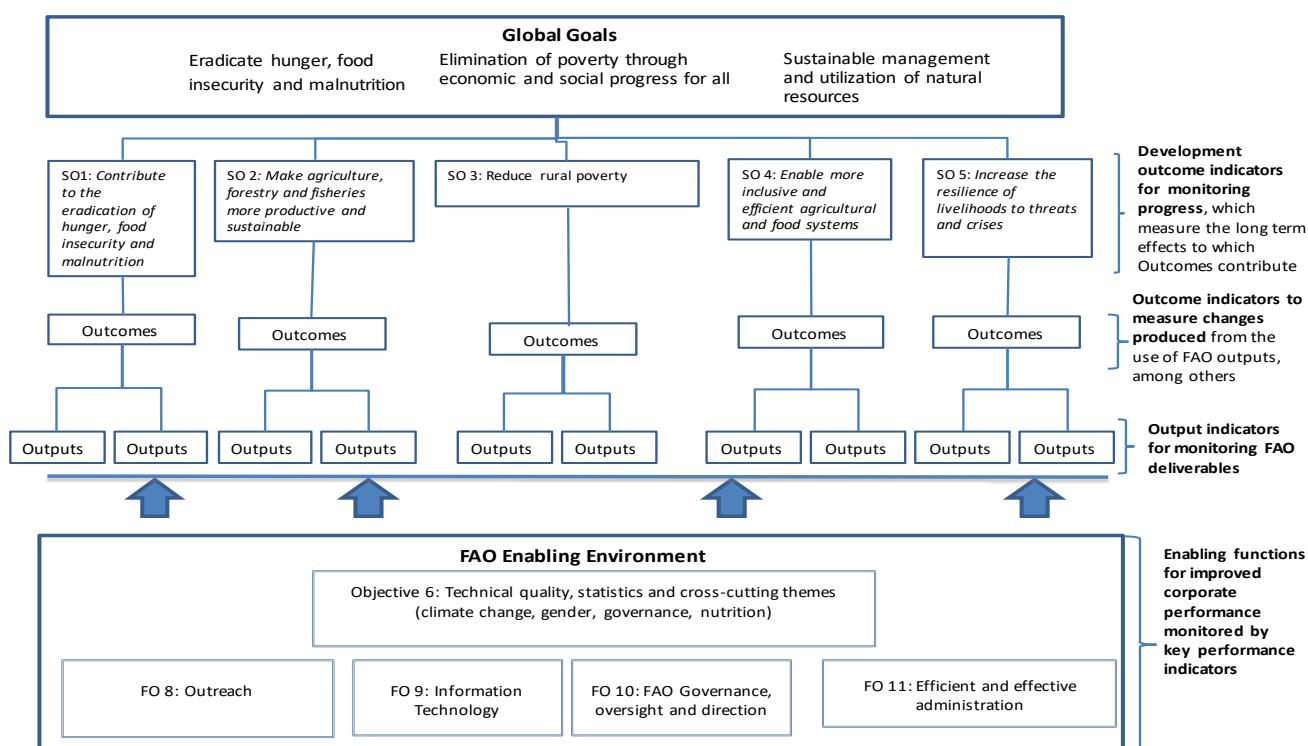
- *Strategic Objectives* express the development outcomes in countries, regions and globally. They are expected to be achieved over a long-term timeframe by Members with FAO's contributions.
- *Outcomes* describe changes in the country, regional or global enabling environment and in capacities available to achieve a specific Strategic Objective.
- *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.

72. Achievement of results is facilitated by three additional elements that help to focus and make FAO's work more effective, as shown in *Figure 2*:

- *Objective on technical quality, statistics and cross-cutting themes (climate change, gender, governance, and nutrition)* that are integrated across the Strategic Objectives.
- *Core functions* are the critical means of action to be employed by FAO to achieve results.
- *Functional Objectives* provide the enabling environment for FAO's work.

73. *Web Annex 3* presents the results framework for 2018-21.<sup>17</sup>

**Figure 2: FAO's results chain model**



### **Work planning output indicators and targets**

74. 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

<sup>17</sup> *Web Annex 3* is equivalent to C 2019/3 *Annex 2* with minor editorial changes in the SOs.

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 June 2019 and prior to implementation in January 2020. Building on the lessons learned, the work planning process continues to focus on a strong 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.

75. During the 2020-21 work planning process, 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.

76. The Output indicators and targets for 2020-21 are presented in *Web Annex 4*. The 40 Outputs in the Medium-Term Plan 2018-21 are maintained. The related indicators include some changes, mainly for simplification or to improve availability of data during reporting, taking into account the lessons learned from the Mid-Term Review Synthesis Report 2018.<sup>18</sup>

77. Further information on targets and indicators in areas highlighted by Governing Bodies during their sessions in 2019 is provided below.

#### ***Antimicrobial resistance (AMR)***

78. FAO recognizes the importance of addressing the increasing global threat of antimicrobial resistance (AMR) in all countries through a coordinated, multi-sectoral, One Health approach in the context of the 2030 Agenda for Sustainable Development. FAO will continue its close cooperation with Tripartite Agencies (OIE and WHO), UNEP<sup>19</sup> and other UN agencies, with member countries, the private sector and other partners, to address AMR in food and agriculture systems, taking into account the needs of food and agriculture sectors worldwide and the protection of 7.5 billion consumers.

79. FAO implements AMR-related activities under the umbrella of the FAO Action Plan on AMR (2016-2020).<sup>20</sup> In the ongoing 2020-2021 work planning process, AMR activities are included mostly under SPs 2, 4, and 5 covering the four pillars (awareness, surveillance, governance and practices) of the FAO Action Plan. FAO will work on the economic impacts of AMR, the FAO Action Plan on AMR 2021-2025, data collection and surveillance, knowledge products and guidelines development.

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<sup>18</sup> 2.1.2; 2.2.1; 2.2.2; 2.3.2; 4.1.1; 4.2.2; and 4.3.1 include some changes in the indicator descriptions; and “processes” has been added to SP3 indicators

<sup>19</sup> World Organisation for Animal Health (OIE); World Health Organization (WHO); United Nations Environment Programme (UNEP)

<sup>20</sup> [The FAO Action Plan on antimicrobial resistance 2016-2010](#); PC 125/8 *Progress report on FAO’s Action Plan on antimicrobial resistance (AMR)*



80. The subset of corporate Output indicator targets which include AMR-related results are presented in *Table 5*. The related outputs from the FAO Action Plan on AMR are also indicated.

**Table 5: Corporate Output indicator targets which include AMR-related results**

Strategic Programme	End 2021 Target (AMR-related)	Corporate Outputs	AMR Action Plan Outputs
1	3	1.1.1, 1.1.2, 1.3.1	1.2, 3.2
2	10	2.1.1, 2.1.2, 2.2.1, 2.3.1	1.1, 3.1, 3.2, 4.2
3	1	3.1.2	4.1
4	23	4.1.1, 4.2.1, 4.3.1, 4.4.1	1.2, 2.1, 4.1, 4.3
5	12	5.1.1, 5.2.1, 5.3.1, 5.3.2, 5.4.1	2.3, 3.1, 4.1, 4.3
<b>Total AMR target</b>	<b>49</b>		

81. AMR-related results achieved under the corporate output indicators will be reported in the Programme Implementation Report.

### ***Gender in the Strategic Objective results framework***

82. Since the MTP 2014-17/PWB 2014-15, gender is mainstreamed as a cross-cutting theme across the five Strategic Objectives.

83. In the results framework (*Web Annex 4*), 27 (out of 43) Output level indicators integrate a gender dimension, with gender achievements being tracked through a stand-alone indicator or through a specific gender qualifier.<sup>21</sup> The gender qualifiers are a subcomponent of the indicators which measure the conditions required to support gender equity. As part of their annual reporting, decentralized offices and divisions in headquarters, indicate for each result reported if the qualifier has been met and describe the gender-sensitive actions that were taken.

84. At Outcome level, four indicators (under SO3 and SO5 respectively)<sup>22</sup> track gender-related results, tied to *SDG5 Gender Equality*.

85. In addition, under SO6: *Technical quality, statistics and cross-cutting themes*, which aims to ensure technical leadership and integration of cross-cutting issues, Outcome 6.3 is dedicated to gender equality: *Quality services and coherent approaches to work on gender equality and women's empowerment that result in strengthened country capacity to formulate, implement and monitor policies and programmes that provide equal opportunities for men and women*. Progress towards the achievement of this Outcome is monitored annually through Key Performance Indicators (KPIs) 6.3.A and 6.3.B, which track the implementation of the gender mainstreaming standards of the FAO and of the United Nations System-wide Action Plan (UN-SWAP) on Gender Equality and the Empowerment of Women (GEEW).

86. Over the 2020-21 biennium, FAO will further strengthen internal capacities to report on gender-related results and to analyse and use the information obtained. This will include staff learning initiatives, as well as reporting on gender achievements and disseminating guidance materials through the Organization-wide network of Gender Focal Points.

<sup>21</sup> Stand-alone indicator: 3.1.3; Indicators with gender qualifiers: 1.1.1; 1.1.2; 1.2.1; 1.3.1; 1.3.2; 1.4.2; 2.1.1A; 2.1.1B; 2.2.1; 2.3.2; 2.4.1; 3.1.1; 3.1.2; 3.2.1; 3.3.1; 3.4.1; 3.4.2; 4.2.1A; 4.2.1B; 4.2.2; 4.3.1; 4.3.2; 5.1.1; 5.2.2; 5.3.2; 5.4.2.

<sup>22</sup> 3.1.D; 3.1.E; 5.3.B; and 5.3.C.

***Key Performance Indicators***

87. Improvements in delivery of the Functional Objectives is measured through Key Performance Indicators. The following new KPIs have been added for 2020-21:<sup>23</sup>

- a) under Outcome 10.3, Direction, on the percentage of staff that have completed e-learning on prevention of harassment, sexual harassment and abuse of authority and on protection from sexual exploitation and abuse;
- b) under Outcome 8.3, Resource Mobilization, on the percentage of projects with timely closure.

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<sup>23</sup> As reflected in *Web Annex 3*

## VII. Decisions required

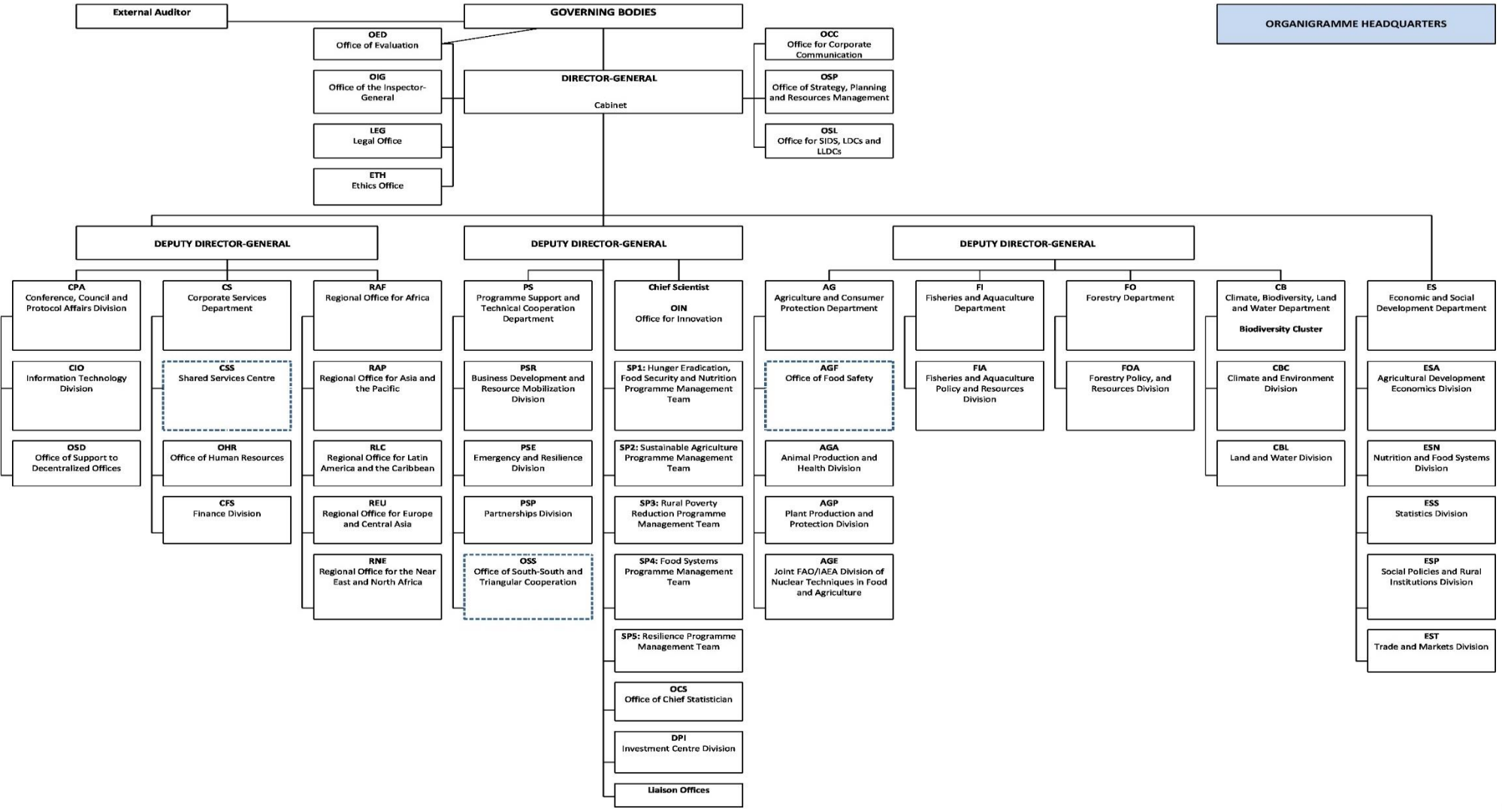
88. The Programme and Finance Committees and their Joint Meeting, are requested to consider the Adjustments to the PWB 2020-21 and the Council is requested to:

- a) take note that the guidance and decisions of the Conference have been implemented;
- b) take note of the programmatic and operational adjustments;
- c) take note of the revised cost increase estimates for 2020-21 and the further efficiency savings;
- d) take note of the results frameworks (*Web Annex 3*) and the Output targets and indicators for the Strategic Objectives (*Web Annex 4*);
- e) approve the revised budgeted post establishment (*Web Annex 5*) and structural changes (*Annex 1*);
- f) approve the revised distribution of the net appropriation by budgetary chapter as reflected in *Table 2*; and
- g) 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.

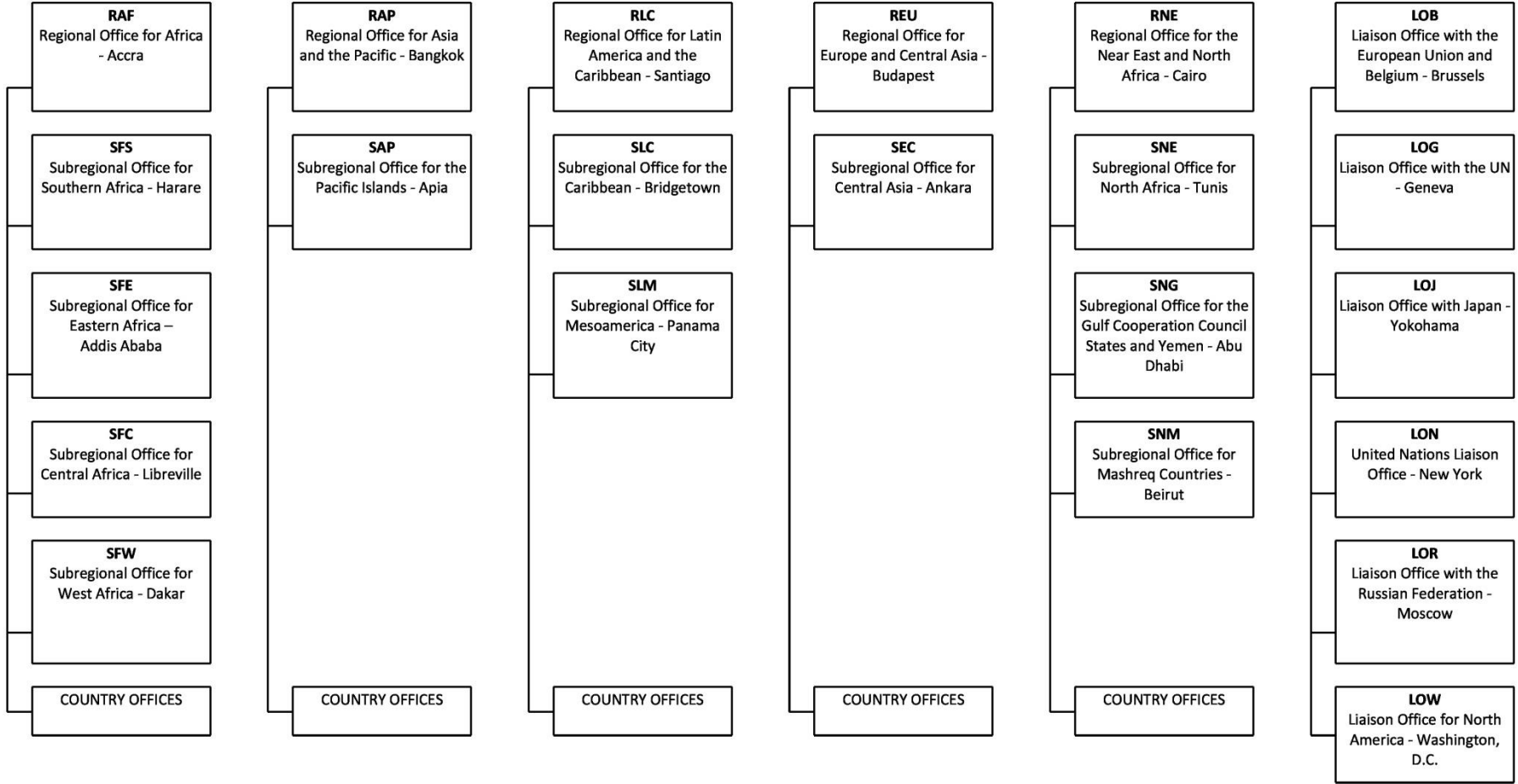
89. The Council is also requested to note that further budgetary transfers could arise as a result of guidance from the Regional Conferences, further work planning, and from the most efficient and effective modalities of implementation during the biennium. Within chapter transfers and transfers from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

90. In addition, the governing bodies will have the opportunity to consider a broader review and adjustment to the implementation of the PWB during 2020, including at the 164<sup>th</sup> session of the Council in June 2020.

Annex 1: Organigramme headquarters and decentralized offices



**ORGANIGRAMME DECENTRALIZED OFFICES**



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***List of Acronyms***

<b>CPI</b>	Consumer Price Index
<b>EIU</b>	Economist Intelligence Unit
<b>ERP</b>	Enterprise resource planning
<b>GAP</b>	Global Action Programme on Food Security and Nutrition in Small Island Developing States
<b>GAP</b>	Good agricultural practice
<b>GFAR</b>	Global Forum on Agricultural Research and Innovation
<b>GIAHS</b>	Globally Important Agricultural Heritage Systems
<b>ICSC</b>	International Civil Service Commission
<b>IPPC</b>	International Plant Protection Convention
<b>LDC</b>	Least developed country
<b>LLDC</b>	Land-locked developing countries
<b>M&amp;E</b>	Monitoring and evaluation
<b>OIE</b>	World Organisation for Animal Health
<b>SIDS</b>	Small island developing states
<b>UNEP</b>	United Nations Environment Programme
<b>UN-SWAP</b>	UN System-wide Action Plan (UN-SWAP) on Gender Equality and the Empowerment of Women (GEEW)
<b>WHO</b>	World Health Organization