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## COUNCIL

### Hundred and Forty-eighth Session

Rome, 2 - 6 December 2013

### Adjustments to the Programme of Work and Budget 2014-15

#### Executive Summary

The Adjustments to the Programme of Work and Budget 2014-15 reflect the decisions and requests of the Thirty-eighth session of the Conference to put measures in place to achieve further efficiency gains and savings. They are presented for consideration by the Programme and Finance Committees and for approval by the Council, as requested by the Conference.

The measures put in place are to achieve USD 36.6 million in savings, being the USD 10 million in efficiency savings proposed in the PWB 2014-15, the USD 4 million in further efficiencies forecast for the biennium and the further savings of USD 22.6 million requested by the Conference. The USD 36.6 million in savings have been identified as follows:

- USD 27.7 million in staff cost savings arising from a critical review of established posts in 17 non-technical offices located at FAO headquarters, a review of Director-level posts, and a review of staff benefits under the control of the Director-General;
- USD 6.2 million in non-staff savings related to reduced operating costs arising from efficiencies in the use of official travel and contracts with external providers;
- USD 2.7 million in savings diagnosed to be found from efficiencies being identified in procurement services, mail and distribution services, and security.

The staff cost savings represent 76 percent of the savings found, in line with the proportion of staff costs in the budget, adhering to the guidance of the Conference to focus particularly on staffing related costs. The comprehensive review by the ICSC of costs of staff salaries and benefits throughout the UN common system may provide opportunity for further savings related to staff cost increases, as urged by the Conference and by the Director-General.

The document also provides an update on work planning and implementation arrangements for 2014-15, giving importance to decentralization, gender, administrative streamlining, work prioritization and the need allow full managerial scope to the Director-General, as emphasized by Conference. In particular, the new ways of planning, implementing and monitoring the Programme of Work, including a corporate monitoring and evaluation framework, are presented along with the updated results framework for all objectives with outcomes, outputs and indicators.

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**Suggested action by the Programme and Finance Committees and Council**

The Programme and Finance Committees are requested to consider the Adjustments to the PWB 2014-15 and the Council is requested to:

- a) take note that the guidance and decisions of the Conference have been implemented;
- b) approve the revised budgeted post establishment; and
- c) approve the revised distribution of the net appropriation by budgetary chapter as reflected in *Table 4*.

The Council is also requested to note that further budgetary transfers could arise as a result of further work planning, as well as 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.

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## I. Background and scope

1. The Thirty-eighth session of the Conference in June 2013 considered the Director-General's Programme of Work and Budget 2014-15<sup>1</sup> developed for implementation of FAO's reviewed Strategic Framework.<sup>2</sup> The Conference approved the budgetary appropriations for 2014-15 and provided guidance on efficiency gains and savings, particularly in respect of staffing related costs. It also endorsed transformational changes relating to programmatic and structural matters, and emphasized the importance of the Director-General's managerial authority. In line with the established programme planning cycle, the Conference requested the Director-General to reflect its decisions and guidance in the adjustments to the PWB 2014-15 for consideration by the Programme and Finance Committees and approval by the Council at its 148<sup>th</sup> session in December 2013.<sup>3</sup>

### *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 1,028.1 million for 2014-15. As shown in Resolution 7/2013, this translates into a net appropriation of USD 1,005.6 million at the budget rate of exchange for 2014-15 of Euro 1 = USD 1.30. The Conference also authorized the Director-General, notwithstanding Financial Regulation 4.2, to use any unspent balance of the 2012-13 appropriations for any additional expenditures of a one-time nature associated with transformational change.

3. In approving the Programme of Work as proposed, the Conference expressed its support for the Director-General's vision for the Organization and stressed the need to fully implement the Programme of Work in the most cost-effective manner. The Conference requested the Director-General to propose adjustments to the Programme of Work to achieve further efficiency gains and other savings in 2014-15, and stressed the importance of efforts to reduce increases in staff costs of the Organization. The Conference emphasized the importance of decentralization, gender, administrative streamlining and work prioritization, and the need to allow full managerial scope to the Director-General in the implementation of the Programme of Work.

4. The Conference also:

- a) endorsed the Secretariat's initiative for a strategic workforce planning exercise aimed at establishing the staffing requirements for delivery of the Strategic Objectives, and requested a progress update at the next regular sessions of the Finance Committee and the Council;<sup>4</sup>
- b) requested reporting to the 148<sup>th</sup> session of the Council through the Programme and Finance Committees on how the mainstreaming of gender-related issues in all five Strategic Objectives had been operationalized in the action plans and results framework (see Section III);
- c) requested that further information on activities relating to social protection in implementing the PWB 2014-15 be provided to the Council.<sup>5</sup>

5. The Conference also recognized that most of FAO staff benefits and entitlements were determined under the United Nations Common System and were approved by the International Civil Service Commission (ICSC) and/or the United Nations General Assembly in New York. It appealed to the ICSC and the General Assembly to consider the need for greater vigilance with regard to increases in staff costs across the Common System, and it urged the Director-General to make a similar appeal.

### *Scope of the document*

6. This document elaborates how the Director-General has incorporated the decisions and guidance of Conference in adjusting the PWB 2014-15 and preparing for its implementation.

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<sup>1</sup> C 2013/3

<sup>2</sup> C 2013/7

<sup>3</sup> C 2013/REP paragraphs 97-110 and Resolution 7/2013 Budgetary Appropriations 2014-15

<sup>4</sup> cf. FC 151/11

<sup>5</sup> cf. CL 148/12

7. The adjustments to the PWB 2014-15 comprise efficiency gains and savings (Section II), work planning and implementation (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 2014-15 by the Programme and Finance Committees, and by the Council.

## **II. Efficiency gains and savings**

### *Principles and approach*

8. The Conference appreciated the significant and unprecedented level of efficiency gains and savings achieved during the 2012-13 biennium while delivering the approved Programme of Work.

9. The Conference welcomed the efforts of the Director-General to identify savings and efficiency gains for 2014-15 and took note of USD 10 million in efficiency savings programmed in the PWB 2014-15<sup>6</sup> and USD 4 million in further efficiency gains forecast for the biennium.<sup>7</sup> The Conference also requested the Director-General to put in place measures to achieve further efficiency gains and savings in the amount of USD 22.6 million.<sup>8</sup> Therefore, the total amount to be found in 2014-15 through efficiency gains and savings is USD 36.6 million.

10. The Conference emphasized that identification of further efficiency gains and savings should be driven by the goal of ensuring the most efficient and effective use of resources within a renewed FAO, and not at the expense of the delivery of the Programme of Work. Accordingly, the approach taken in identifying efficiency gains and savings in the adjustments to the PWB 2014-15 has been framed by the overarching principle of minimizing the impact on decentralized offices and the technical departments of the Organization.

11. Furthermore, the Conference stressed the importance of reducing the increases in staff costs of the Organization, and requested that further efficiency gains and savings be achieved particularly by measures aimed at reducing the staff costs, which constitute approximately 75% of the budget. In line with the guidance of the Conference, efficiency measures related to staff costs identified in the adjustments to the PWB 2014-15 account for approximately 76% of the overall savings target.

12. The principles for achieving these, and other efficiencies and savings, flow from the guidance provided by the Conference. These principles were implemented by a process involving managers of headquarters-based, non-technical offices identifying opportunities for efficiency gains and savings in their respective areas of responsibility. In turn, this process has enabled the identification of the requisite savings and efficiencies in the adjustments to the PWB 2014-15.

### *Savings from staff costs*

13. The key exercise in identifying savings from staff-related costs was a critical review of established posts in 17 non-technical offices located at FAO headquarters, particularly within the Apex and the Corporate Services Department. This critical review has led to the net abolition of 100 positions.

14. The results of the critical review build upon transformational changes introduced in 2012-13, and are consistent with priority and efficiency actions in the PWB 2014-15 endorsed by the Conference. This includes the modernization of the Information Technology Division (CIO), and the rationalization for greater effectiveness of the Office for Corporate Communication (OCC) and the Office for Partnerships, Advocacy and Capacity Development (OPC).

15. Furthermore, a review of Director-level positions and areas of staff benefits under the purview of the Director-General has resulted in savings within the adjustments to the PWB 2014-15.

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<sup>6</sup> C 2013/3, paragraphs 262 – 271

<sup>7</sup> C 2013/3, Information Note no. 9

<sup>8</sup> Resolution 7/2013, paragraph 3

*Information Technology Division (CIO)*

16. The modernization of the Information Technology Division (CIO) complements the transformation of other support functions such as finance, human resources and administration undertaken in 2012-13. It is driven by a holistic assessment of the information technology and information systems' needs of the Organization, and follows on from specific streamlining measures introduced in CIO during 2012-13, as well as efficiencies resulting from the successful implementation of the Global Resource Management System (GRMS)<sup>9</sup> in 2013.

17. The transformation of CIO is driven by the principle of the need to shift the focus on improving the support to the core corporate business, and thus to complement the provision of basic IT/IS services. Greater use of integration, standardization and virtualization, along with increased use of outsourcing basic IT/IS services such as infrastructure management and application development, will allow for the establishment of a new business model and structure for CIO.

18. The renewed structure will coalesce functions of architecture, planning, and information security within the office of the Chief Information Officer (Director, CIO), who as a member of FAO's senior management team will continue to provide high-level leadership and direction to the division. The Director will be supported by a Chief Operating Officer (at D-1 level), who will oversee the implementation of operations and interaction with business users and outside service providers. The structural changes included abolitions, transfer and reclassification of posts, and have resulted in significant savings from a net reduction of 41 established positions in CIO (see *Annex 4*).

19. From 2014-15, CIO will thus be able to better support the Organization's core activities, consistent with comparable industry standards. At the same time, there will be no compromise on the quality of basic IT/IS services, and key functions relating to compliance and security will be maintained under direct control of CIO. Further opportunities for efficiency and improvements may be identified during 2014-15, in particular by a broader review of IT/IS capacity throughout the Organization, which lies currently outside of CIO.

*Office for Corporate Communication (OCC)*

20. The consolidation of the structure and functioning of the Office for Corporate Communication is a natural progression of the transformational changes to the communication function introduced in 2012-13, and the proposals for its further rationalization in the PWB 2014-15.

21. Specifically, it reflects the Conference decision identifying communication as a priority area, establishing OCC as a separate office within the Apex, and integrating capacity transferred from the former Office for Knowledge Exchange, Research and Extension (OEK), in particular in relation to archive and management of information resources.

22. The adjustments undertaken are underpinned by the principle that OCC is singularly responsible for all FAO communication activities, and are driven by the need to obtain synergies, avoid duplication and identify efficiencies. This has enabled abolition and reclassification of posts within OCC, as well as the transfer of six positions to OPC resulting in an overall net reduction of 16 established positions in OCC (see *Annex 4*).

23. The improvements to effectiveness and efficiency of OCC have led to consolidation of the publications and library functions, with a focus on new technologies, improved management of publications and multi-media archiving. In turn, this will ensure maintenance of the highest standards of knowledge-based services, with increased focus on accessibility and greater use of Internet and online dissemination.

*Office for Partnerships, Advocacy, and Capacity Development (OPC)*

24. As with OCC, the enhancements to the Office for Partnerships, Advocacy and Capacity Development (OPC) also follow naturally the transformational changes of the previous biennium and decisions by the Conference in June 2013. The improved structure and function of OPC implements Conference decisions on partnerships, capacity development and advocacy as priorities for FAO, its

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<sup>9</sup> FC 151/3

establishment as a separate office in the Apex, and integration of capacity development functions from the former OEK.

25. In particular, the work on capacity development and knowledge management will be refocused to contribute directly to the new Strategic Objectives of the Organization. Efficiency savings will be obtained by streamlining the structure and relying more heavily on partnerships. Capacity within OPC relating to other important functions such as gender advocacy and the Right to Food will be maintained and strengthened.

26. For example, FAO's support to the global CIARD<sup>10</sup> Movement on strengthening countries' capacities to open agricultural knowledge for development will be transformed through innovative partnerships with research and academia, the private sector and civil society. A concrete programme for the co-production and co-delivery for the transformation and improvement of the AGRIS<sup>11</sup> database and the global normative standard of AGROVOC<sup>12</sup> will also be devised and implemented.

27. The adjustments in OPC include the abolition of five posts for greater efficiency, as well as transfer of seven positions for strengthening capacity development and Right to Food functions, resulting in a net increase of two in the overall post count of the Office (see *Annex 4*).

#### *Review of Director-level posts*

28. In line with the proposal in the PWB 2014-15<sup>13</sup> to pursue measures for value-for-money within the context of transformational changes by improving the balance of managerial functions within the Organization, a review of Director-level posts was undertaken in the process of preparing adjustments to the PWB 2014-15.

29. The review was driven by the goal of seeking more effective management at FAO by streamlining management structures. In particular, instances where D-1 level directors report directly to D-2 level directors in a given office or division were examined carefully for managerial effectiveness and efficiency, as well as for potential overlap and redundancy.

30. It was ascertained that some D-1 positions of critical or particular importance were necessary for effective and efficient management of the office or function in question. This includes offices with a very large number of direct reports, secretaries of major bodies established under Articles VI and XIV of the FAO Constitution (such as the Commission on Genetic Resources for Food and Agriculture, the Codex Alimentarius Commission, the International Plant Protection Convention, the International Treaty on Plant Genetic Resources for Food and Agriculture), or other specific functions (such as the Chief Medical Officer).

31. The review identified a number of areas for managerial improvement, and resulted in the abolition or downgrading of 7 D-1 level positions, all of which are located at headquarters (see *Annex 4*). This action will yield savings of USD 1.3 million per biennium. There is potential for more efficiencies and savings by further review with expanded scope of director-level positions which may be undertaken in 2014-15.

#### *Staff benefits*

32. The Conference recognized that most of FAO staff benefits and entitlements are determined under the United Nations Common System and approved by the International Civil Service Commission (ICSC) and/or the United Nations General Assembly in New York.

33. However, benefits under the control of the Director-General were reviewed. A decrease in the service cost of the Separations Payment Scheme for General Service staff in Rome through alignment with the Italian scheme, and reduction in the maximum number of accrued annual leave days to be

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<sup>10</sup> Coherence in Information for Agricultural Research for Development (CIARD)

<sup>11</sup> International Information System for the Agricultural Sciences and Technology (AGRIS)

<sup>12</sup> A multilingual structured and controlled vocabulary designed to cover the terminology of all subject fields in agriculture, forestry, fisheries, food and related domains (AGROVOC)

<sup>13</sup> C 2013/3, paragraph 270

paid to staff on separation, from 60 days to 30 days, will result in biennial savings of USD 1.4 million in 2014-15.

#### *Summary*

34. A total of USD 27.7 million in savings from staff-related costs have been identified, representing approximately 76% of the USD 36.6 million target in line with the guidance of Conference. This includes a net decrease of USD 26.3 million from regradings and from the net abolition of 100 established positions in 15 non-technical offices, and USD 1.4 million from efficiencies in staff benefits under the control of the Director-General (see Table 1).

35. Seventy of the posts abolished in this exercise were encumbered, and incumbents were either redeployed to vacant positions, separated by mutual agreement (SMA) from the Organization, or otherwise separated where neither solution was available.

36. Measures have been introduced following consultation with the Staff Representative Bodies to minimize the budgetary cost to the Organization from redeployment and separation. While the current exercise is still ongoing, a range of USD 5 million to USD 7 million is estimated in one-time costs of separations and redeployment, to be funded from regular budgeted resources for separations and the unspent balance of the 2012-13 appropriations. Members will be updated with the final cost figures through standard reporting on budgetary performance to the governing bodies in 2014.

#### *Savings from non-staff costs*

37. In addition to savings from staff costs, a review of efficiency in non-staff related operating costs was undertaken and savings have been identified in the amount USD 6.2 million. These operating savings result primarily from efficiencies in the use of official travel, and contracts with external providers. Specifically, changes have been introduced to duration criteria for determining the class of travel from business class to economy class for all FAO staff and non-staff travellers; extension of the Preferred Hotel Programme scheme; greater emphasis on e-learning in staff development; and renegotiation of contracts with external providers of cleaning and portering services, as well as maintenance of IT equipment such as printers.

#### *Further savings*

38. Further to efficiency gains and savings of USD 33.9 million already identified, areas to find the balance of USD 2.7 million during the course of 2014-15 have been diagnosed. These savings will be found from efficiencies to be identified and put in place during 2014-15, in particular from the following areas: procurement services, mail and distribution services, and security. In addition, the comprehensive review by the ICSC of costs of staff salaries and benefits throughout the UN common system may provide opportunity for further savings related to staff costs.



### *Conclusion*

39. The decisions and guidance provided by the Conference called for adjustments to the PWB 2014-15 which included the identification of efficiency gains and savings totalling USD 36.6 million (see Table 1). Applying the principles flowing from the guidance of Conference, the Director-General has now identified USD 33.9 million in savings, and has diagnosed areas where a further USD 2.7 million in efficiency gains and savings will be identified and put in place. Furthermore, in line with the transformational changes introduced since 2012, the Organization will also continue to pursue better value-for-money and efficiency and effectiveness in the delivery of the Programme of Work throughout the 2014-15 biennium.

**Table 1: Efficiency gains and savings (USD million)**

Description	Amount
Net staff cost savings from posts	26.3
Staff cost savings from changes in benefits	1.4
<b>Total staff cost savings</b>	<b>27.7</b>
Non-staff cost savings	6.2
<b>Total savings identified (staff and non-staff)</b>	<b>33.9</b>
Further savings	2.7
<b>Total savings</b>	<b>36.6</b>

### III. Work planning and implementation

40. To translate the reviewed Strategic Framework into a meaningful and measurable set of results, the Secretariat is putting in place new ways of planning and monitoring FAO's work, moving from programming inputs and then analyzing their likely results, to focusing on desired outcomes at country, regional and global levels and then identifying the required action to achieve them.

41. This shift of emphasis requires a sound evidence-base for planning, managing performance, reporting results and making informed decisions. The measures being taken apply a new work planning and budgetary model (IPA Action 7.2). Their implementation is supported by staff development and management training (IPA Action 3.32, Culture Change) and strengthened internal governance arrangements.<sup>14</sup>

#### A. Monitoring and evaluation framework

##### *The results-based model*

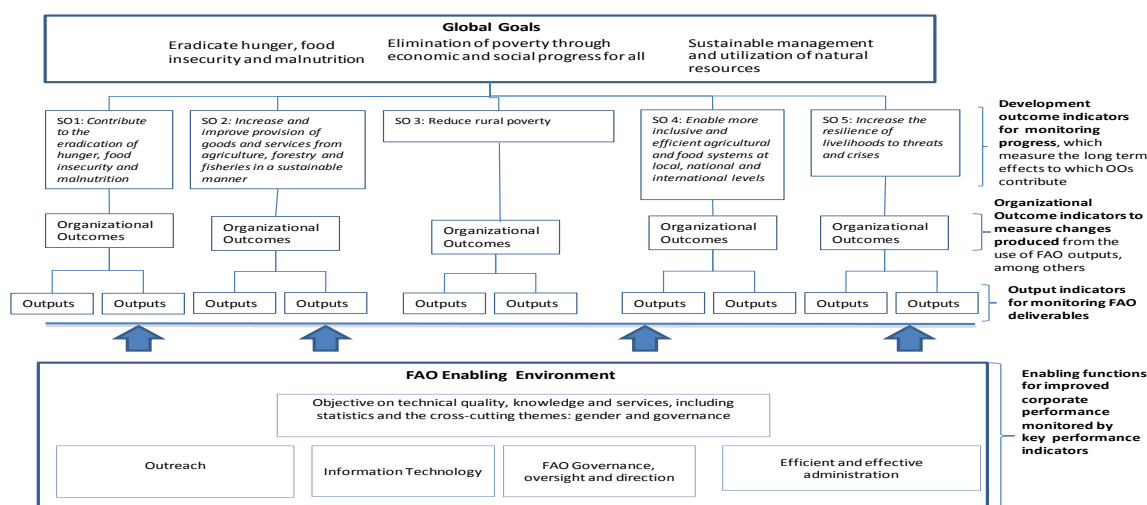
42. The FAO results model is based on commonly applied terminology and builds on the lessons learned during 2010-2013 in implementing results-based management principles:

Results chain	Level of result	Definition	Accountability
FAO Global Goals	Impact	Impact	
Strategic Objectives	Development Outcome	The long-term effects (10 years) Change to which the Organizational Outcomes contribute.	Development outcomes are achieved through the combined contributions of governments, FAO and other UN agencies and other stakeholders.
Organizational Outcomes	Intermediate Outcome	The short-term effect (4 years) Change produced from the use of FAO outputs, among others.	Outcomes are achieved in direct partnership with governments and other stakeholders, who are mutually responsible.
Outputs	Output	Set of deliverables – products and services - that result from FAO's intervention.	FAO produces products and services and is directly accountable for Outputs.
Activities	The processes that turn inputs into outputs	Set of FAO activities relevant to the achievement of the outputs.	FAO carries out and is directly accountable for Activities.

43. This model incorporates the concept of intermediate and development outcomes, and explicitly recognizes that higher-level development results can only be achieved outside of the boundaries of FAO's direct sphere of influence, through a commitment of, and partnership with governments and other stakeholders. An illustration of the new FAO results model applied to the Strategic Objectives is shown in Figure 1.

<sup>14</sup> C 2013/3 paragraph 51 and Information Note no. 5

Figure 1: The FAO results chain model



### The corporate monitoring and evaluation framework

44. The Secretariat is developing a corporate monitoring and evaluation (M&E) framework to assess and measure corporate performance by creating a corporate system for monitoring and reporting on results at global, regional, and country level. The M&E framework will increase the focus on results by allowing flexibility in adjusting the work plans during delivery; improve accountability by consolidating various types of reporting into a coherent pattern of results; and support Management in evidence-based decision-making. Tracking progress through the M&E framework will facilitate periodic performance monitoring, organizational learning and help managers use emerging opportunities or take corrective action to achieve the expected results.

45. The M&E framework is composed of three interlinked levels of results - Strategic Objectives (SOs), Organizational Outcomes and Outputs - that capture the stages along which FAO inputs are transformed into concrete results. At the core of the framework are the indicators that measure progress at each level of the framework, providing the basis for reporting and assessing how FAO's actions contribute to changes in and among countries.

46. To support monitoring and reporting, specific responsibilities have been identified for data collection, data processing and analysis. These do not necessarily translate into additional responsibilities – they have existed in FAO for many years. What is changing is that they are being reorganized around a structured monitoring and reporting framework.

47. A database containing trends at the SO level and indicators of measure at the Organizational Outcome Output levels will provide the basis to develop a dashboard of progress to support decision-making, as well as for external communication. This is the opportunity to leverage more effectively the data collection and monitoring efforts in FAO, such as for preparing country profiles.

48. The main information required to monitor and evaluate progress in work plan implementation and achievement of results includes:

- Strategic Objective (SO) level:* monitoring of global progress (trends) in areas where FAO has committed to achieving developmental results;
- Organizational Outcome level:* establishment of baselines and targets for country-based outcomes, with focus on national policy frameworks; monitoring of changes that have occurred in countries supported; assessment of contribution of FAO's Outputs in the progress and achievements of the Organizational Outcomes;
- Output level:* establishment of targets; measurement of what has been achieved from delivery of products and services;

- d) *Enabling environment*: assessment of the extent to which statistics, gender, governance, outreach (partnership and communications), IT, direction and administration have been used to enhance design and delivery of results;
- e) *Inputs and activities to deliver outputs*: continuous monitoring of what is delivered by FAO, assessment of the adequacy of delivery between activities planned with those actually implemented, monitoring of input mix (e.g. staff, consultants, travel, etc.).

#### *Indicators at the level of Strategic Objectives*

49. The Strategic Objectives are the global development objectives that the international community, countries and FAO have agreed to tackle. FAO is one of many development partners that assist national governments in their progression towards achieving these objectives. Achievements at this level cannot be attributed to any one partner, but are the result of interventions of an array of stakeholders. FAO contributes to achieving progress in line with its mandate and comparative advantages, but there can be no direct attribution of causality.

50. FAO will start to engage in monitoring SO-level developments through a selected sample of indicators. These will provide a line of sight and horizon for assessing global progress in the areas where FAO has committed to achieve results, and focus for areas of collaboration with partners.

51. A survey of globally available development indicators reveals that no single indicator can fully describe the development outcomes of FAO's Strategic Objectives. The prohibitive cost of collecting new development indicators, as well as the time before such indicators become globally accepted, also confirms the need for an alternative approach.

52. For these reasons, a set of indicators is being compiled for each SO. Each set of indicators comprises the indicators themselves, derived metrics and existing indices, with selection being guided by: indicative of performance at the development outcome level; availability of data at the global level (secondary sources); objectivity and being from authoritative source; sustainability, longevity and timeliness in collection; and meaningfulness for monitoring and aggregation.

53. By formalizing the selection criteria across the Strategic Objectives, a harmonized approach towards measurement of progress will be possible. Such a harmonized approach will capture the multidisciplinary nature of the Strategic Objectives, while ensuring a coherent monitoring and evaluation framework.

54. SO level indicators derived on this basis are shown in the SO results frameworks in *Annex 5*. The set of indicators at SO level will be monitored on a yearly basis, and reported every four years at the end of each Medium Term Plan.

#### *Organizational Outcome indicators*

55. Organizational Outcomes (OO) assess the changes in the country-level enabling environment needed to foster the achievement of a specific Strategic Objective. The OOs address the question: what are the main impediments at country level or at international level, in the areas of FAO's mandate and core functions, standing in the way of achieving the expected Strategic Objective?

56. For each Strategic Objective, the OO indicators are clustered, where meaningful, into the main determinants of success, which generally include aspects related to FAO's core functions, such as relevance of policy and programming frameworks, level of resources and investments committed, level and capacity of coordination/partnerships, and capacity for availability and use of information for decision-making.

57. Organizational Outcome indicators therefore measure progress in terms of commitment and capacities that countries put in place to achieve the Strategic Objectives, in the areas where FAO contributes. They provide a structured profile by country (and groups of countries) which would also allow communicating with countries and partners on how FAO is addressing the different issues identified as essential for the achievement of the SOs. This approach is particularly relevant in linking the development priorities at country level identified in Country Programming Frameworks (CPFs) with the Strategic Objectives.

58. Progress will be measured in terms of the extent to which countries have established the required capacities to achieve the Organizational Outcomes, or the extent to which the international community has made progress on improving the global enabling environment framework (e.g. through the development of policy frameworks, norms, standards and agreements). A set of indicators is presented for each Organizational Outcome within each Strategic Objective in *Annex 5*.

59. Data for the Organizational Outcome (OO) indicators will be obtained primarily through corporate surveys. Secondary sources of data will also inform the OO indicators. Indicators will be assessed at baseline and at the end of each biennium. A corporate baseline survey will be followed by two in-depth surveys towards the end of each biennium, in 2015 and 2017. The data from those surveys will therefore measure the changes in country-level outcomes where FAO is expected to have an influence, and will also serve to assess FAO's contribution to those changes at the end of each biennium.

60. A pilot baseline survey has been conducted in August-October 2013 in a sample of countries. The finalization of baselines and accompanying targets will require additional work up to early 2014. The pilot baseline survey has allowed testing of the questionnaire and the related structure of the indicators, as well as identifying lessons that will inform the fully-fledged baseline survey that will target a higher number of respondents in a variety of categories.

#### *Output level monitoring*

61. Outputs are FAO's direct contribution to the Organizational Outcomes in terms of products and services. They represent the results for which FAO is accountable at the global, regional and national levels and the tangible delivery of FAO's interventions funded through regular and extrabudgetary resources. In formulating Output indicators, care was taken to ensure that existing data and monitoring sources could be leveraged where relevant. The Output indicators are presented in *Web Annex 6*.

62. The purpose of Output monitoring is to:

- a) track progress in the delivery of Outputs during the biennium, which allows assessment of efficiency, effectiveness and supports operational management decision-making;
- b) review the extent to which the cross-cutting themes of gender and governance have been effectively addressed, as well as the correlation between the application of core functions and the level of output delivery;
- c) contribute in the assessment of FAO's contribution to the realization of the Outcomes (e.g. relevance, effectiveness, efficiency, sustainability); and
- d) inform governing bodies on the actions undertaken and extent to which the Output results have been achieved from the use of financial resources made available.

#### *Monitoring the enabling environment*

63. FAO needs to ensure that it has the internal capacity to achieve results. In an increasingly decentralized context, preserving the technical integrity of the Organization, as well as building its capacity to mainstream key technical functions beyond institutional boundaries is of paramount importance. At the same time, functions related to direction, oversight, FAO governance, outreach, information technology, and administration need to support the delivery of results in a cost-effective manner.

64. Objective 6 frames the technical quality and knowledge services of the Organization. As a budgetary chapter, Objective 6 allocates resources to specific technical units to fulfill their assigned functions. The outcome statements provide direction to the functions on quality and integrity of FAO's technical work; collection, dissemination and use of data; and governance and gender work as cross-cutting themes. The outputs and key performance indicators being developed (see *Annex 5*) provide the basis for the internal results monitoring.

65. Units delivering the support functions will measure their performance through key performance indicators defined in the Functional Objectives and special chapters, covering progress

and improvements in business processes monitored through key performance indicators (see *Annex 5*), and inputs and activities to deliver outputs.

*Monitoring of inputs and activities to deliver outputs*

66. Monitoring of inputs and activities will complement the management information needed for monitoring of indicators of SOs, OOs and Outputs.

67. Inputs are the financial, human, material, technological and information resources used for development interventions. Activities are those actions taken or work performed through which budgetary and extrabudgetary inputs, such as technical assistance and other types of resources are mobilized to deliver sets of products and services needed to achieve the Output.

68. Monitoring with regard to inputs aims at ensuring that the right inputs, of the right quality to deliver the expected outputs are available at the right time and the right cost. Particular focus will be given to:

- a) reducing travel costs with efficiencies achieved both through reduction of entitlements, cheaper tickets/routings, including through advance planning and purchase, and the further expansion of the Preferred Hotel Programme;
- b) budgetary performance to provide ongoing assurance on whether adequate progress is being made to deliver the Outputs.

69. There will be particular focus on the use of consultants, so that the skills and knowledge they provide fill gaps needed to complete particular tasks or complement in-house knowledge, and that the costs are contained, including through cost ceilings. In this regard, revised guidelines aimed at ensuring harmonization of recruitment criteria, enhancement of performance evaluation, and consistency in remuneration levels have been developed and will be implemented from 2014. Furthermore, the implementation of GRMS allows for greater monitoring and control, which has already resulted in the recovery of approximately USD 350,000 from overpayment to consultants.

70. In addition, the Organization will put in place an internal evaluative capability to address and help prevent organizational underperformance. Accordingly, a rapid performance review function to examine, appraise, diagnose and resolve identified or potential areas of organizational underperformance will be placed with the risk management team within the Office of Strategy, Planning and Resources Management.

## B. Impact of work planning on results frameworks and resources

71. During 2013, Strategic Objective Coordinators (SOCs) are elaborating their results frameworks with their teams, and preparing work plans with products, services and resource allocations (staff and non-staff), in consultation with headquarters and decentralized offices, as well as the cross-cutting thematic groups.

72. The aim is to apply a programmatic and synergistic approach by reaching agreement on the contributions that will be necessary from technical departments and decentralized offices in order to achieve indicator targets and to develop the appropriate mix of aligned FAO and partner contributions.

73. Work planning is being undertaken from June to December, guided by the Corporate Programmes Monitoring Board (CPMB). High-level strategic work plans were prepared with SO and Outcome indicators and Outputs further elaborated and reviewed during June to August. From September to December, operational work plans are being prepared and implementation arrangements are being put in place to be ready on 1 January 2014.

### *High-level strategic work planning*

74. The main deliverables from high-level work planning were: refined and validated outputs that will be necessary to achieve the Organizational Outcomes under the five SOs with key interventions and areas of work identified for FAO action. The process of identifying, prioritizing and elaborating these outputs and the main work areas is based on the following guiding principles:

- a) *keep a clear line of sight to the Strategic Objective indicators and results to be achieved by referring to the result chain* - starting from the results to be achieved, SO teams worked out backwards what needed to be done to get there;
- b) *apply evidence-based analysis to identify the key drivers of change* - by undertaking an evidence-based analysis using existing information and good practice assessments, SO teams identified the key drivers of change that will be instrumental in making progress towards results and help with prioritization;
- c) *prioritize ruthlessly* - rather than retrofitting current work into the new framework, the Outputs and related key areas of work should reflect where FAO has a unique and value-added contribution to make *vis-à-vis* other development partners;
- d) *identify synergies and boundaries* - in order to ensure complementarities, avoid duplications and capture comparative advantage in specific areas of work, SO teams identified the potential areas of synergies and overlap across SOs and between different levels of the Organization;
- e) *foster dialogue and consult broadly (vertically and horizontally)* - SO teams established dialogue with relevant FAO units/offices and cross-cutting thematic groups (gender and governance) to ensure that outputs being refined and key areas of work identified were sound and based on best knowledge and evidence-based analysis.

75. The internal review process by the CPMB aimed to improve quality, recognize synergies, address overlaps and reinforce ownership through desk review and discussions with the SO core teams. The endorsed SO results frameworks with revised Outcome indicators and outputs are set out in *Annex 5*. This provided a sound basis for preparing the operational plans.

### *Operational work planning and implementation arrangements*

76. The operational work plans will set out the products and services needed to deliver the Outputs and the indicators to measure Output delivery, and allocate the required resources (budgets) in all locations and for all sources of funds. The preparation of operational work plans is being led by the SO teams in consultation with FAO units at headquarters and in decentralized offices from September to December 2013. The aim is ensure a multidisciplinary approach, technical and programmatic soundness, integration of relevant core functions, focus and critical mass of intervention, operational feasibility, clear roles, responsibilities and accountability.

77. The following work planning processes are underway: output indicators and targets are being formulated, including for work on gender; the necessary and sufficient products and services are being

defined, with reference to FAO's core functions, that are needed to deliver the Outputs using all sources of funds and partnerships; a limited number of delivery projects and teams are being formed, including for regional initiatives; contributing units are determining the skills mix requirements needed to deliver the products and services; resources are being allocated by SO Coordinators and Regional Representatives to projects and teams, and by OSP to units for corporate technical activities; and country offices are identifying the most relevant SO Outcome indicators to which priorities in the Country Programming Framework contribute.

78. The operational work plans and delivery teams are expected to be in place by 1 January 2014, with further refinement of country work plans during the first half of 2014.

#### *Areas of programmatic emphasis and de-emphasis*

79. The PWB 2014-15 highlighted some strategic shifts in emphasis resulting from the recasting of the Programme of Work around the five new Strategic Objectives.<sup>15</sup> Areas of programmatic emphasis and de-emphasis emerging from the work planning process are based on the results frameworks as the Outcome indicators and Outputs are refined and the products and services are identified and are summarized below. By taking a more programmatic approach, it can be expected that isolated projects and area-specific work will be de-emphasized.

80. There will be sharpened focus on food security and nutrition, including development of comprehensive policy frameworks; inclusive governance systems with multistakeholder participation, policy coherence and evidence-based decision-making in a common framework under SO1. Stand-alone programmes, projects and information systems that do not add value to this framework will be de-emphasised.

81. Emphasis is placed on sustainable intensification of production integrated across sectors, with a regional and subregional focus, including advocacy and value-chain approaches under SO2. There is a de-emphasis on sectoral approaches, pilot activities with no prospect for upscaling, and work on upstream research and development for which national and international research institutions hold comparative advantage.

82. Providing an integrated approach to rural development and poverty reduction within given territorial settings will imply de-emphasizing vertical or purely sectoral lines of work, which will be embedded in the broader approach being taken under SO3. Partners will be actively engaged in all areas of work with defined responsibilities and divisions of labour. For instance, in the areas of decent rural employment, FAO and ILO<sup>16</sup> have existing strategic partnerships with ILO's main engagement on the normative work and FAO in implementing applications of, for instance, international labour standards in rural settings at the country level aligned with agricultural and rural development policies. Similar arrangements have been established with the ILO in regard of social protection for rural poverty reduction, and partnership with WFP<sup>17</sup> will allow FAO to focus on the interface between social protection and agricultural, food security and rural development policies and de-emphasize work on logistics and implementation of food-based safety nets interventions and delivery of humanitarian aid, which is where WFP's strengths lie.

83. Greater emphasis to reduction in food losses and waste under SO4, with significantly lower levels of FAO activity on farm management, rural infrastructure and front-line support to specific post-harvest technologies.

84. Work on disaster risk reduction and resilience through SO5 will emphasize strategic partnerships for scaling-up to support long-term food and agriculture systems, while crisis management will be delivered through a change in operational model with the development of integrated teams at country and regional levels handling all humanitarian, development, investment and policy interventions.

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<sup>15</sup> C 2013/3 paragraphs 343-366

<sup>16</sup> International Labour Organization (ILO)

<sup>17</sup> World Food Programme (WFP)



### *Corporate technical activities*

85. FAO will adopt a matrix structure for the delivery of the Programme of Work from 2014. This matrix structure will comprise two distinct sets of roles, involving respectively the management of Strategic Objective work plans and the management of organizational units:

- a) Strategic Objective Coordinators have the overall conceptual leadership and be accountable for the delivery of Outputs and achievement of the Outcomes defined in the SO work plans, in collaboration with departments and offices;
- b) in addition, heads of organizational units (departments, divisions, independent offices, regional offices) will manage certain *corporate technical activities* under their responsibility, contributing as appropriate to the five Strategic Objectives, and the quality and integrity of FAO's technical work (Objective 6).

86. Corporate technical activities have been identified, falling into two groups:

- a) mandated technical activities that are carried out by responsible units, primarily relating to Objective 6, but which provide some direct support to SOs. These include: internal technical networks, flagship publications, Technical Committees and Regional Conferences (outcome 6.01); statistics (outcome 6.02); and the work of core units underpinning the cross-cutting themes on gender and governance (outcomes 6.03, 6.04);
- b) technical activities that are carried out by the responsible unit through collaborative or governance arrangements and agreements (other than projects), primarily supporting the SOs. These include: Investment Centre (with the World Bank); Commissions established by Conference or Council under Articles VI and XIV of the FAO Constitution; UN system and other global initiatives where FAO formally participates; and agreements other than projects.

87. The CPMB is reviewing these activities in terms of scope and need, the programmatic contribution to the objectives, the managerial responsibility and resource requirements.

### *Resource implications of work planning*

88. The adjustments to the PWB 2014-15 include shifts of resources among budgetary chapters and/or divisions resulting from initial planning in gender, statistics, and the decentralized offices network, as described below. Any further budgetary transfers arising as a result of work planning, as well as from the most efficient and effective modalities of implementation during the biennium will be handled through normal reporting to the Programme and Finance Committees in accordance with Financial Regulation 4.5.

### *Gender*

89. As requested by Conference,<sup>18</sup> gender-related issues are mainstreamed in the results frameworks, work plans and resource allocations of all five Strategic Objectives. The expected outcome for cross-cutting work on gender in the MTP/PWB is: *strengthened capacities of member countries to formulate, implement, monitor and evaluate policies, strategies, programmes and investments that provide equal opportunities for women and men in agriculture and food security.*

90. For this outcome, the desired change in state over which FAO has input and some degree of control is "strengthened capacities" of member countries. Key areas of work to address this outcome have been identified under each SO, and are being reflected in every SO work plan. Gender issues are part of the SO monitoring and evaluation methodology, either as a specific indicator or a qualifier under selected outcomes or outputs, capturing the extent to which policies, strategies and programmes have a gender-informed design.

91. In addition to the strengthened gender advocacy function within OPC, the SO teams and the network of gender focal points at headquarters and decentralized offices are supported by a unit of dedicated gender specialists in the Social Protection Division (ESP) of the Economic and Social Development Department. This unit works to: (i) help identify key outputs, products and services, or activities to address gender issues in the Strategic Objectives; (ii) improve the collection, analysis and

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<sup>18</sup> C 2013/REP paragraph 99

dissemination of sex-disaggregated statistics and gender analysis tools; (iii) provide technical advice to support the Organization's activities in relation to its own gender policy and the UN-SWAP;<sup>19</sup> (iv) carry out analytical work and develop knowledge products to support the formulation of policies, programmes and investments related to gender, food security and agriculture; (v) carry out capacity needs assessment and plan capacity development activities and materials to support member countries.

92. The funding for work on gender has been maintained at USD 21.8 million as requested by Conference.<sup>20</sup> The resources have been reallocated across the budgetary chapters compared with the proposed PWB, to better reflect work on gender in the SOs, including the gender focal points, and the dedicated gender unit in ESP, as shown in Table 2.

**Table 2: Resources for gender (USD thousands)**

Objective	PWB 2014-15	Change	Adjusted PWB 2014-15
1		1,742	1,742
2		1,742	1,742
3	12,527	(2,371)	10,156
4		1,742	1,742
5		751	751
6	8,729	(3,606)	5,123
MDF	500	0	500
<b>Total</b>	<b>21,756</b>	<b>0</b>	<b>21,756</b>

### Statistics

93. The heightened emphasis on evidence-based decision-making in governments and organizations at all levels puts a greater focus on the role of statistics, and the part it must play in measuring and monitoring progress towards national and international development goals and targets. FAO is at the forefront of these tasks, performing an essential role in helping to reduce hunger and poverty by informing decision-making through the provision of reliable and timely data. This vital role is recognized in the FAO Constitution, which states that the Organization "shall collect, analyse, interpret and disseminate information relating to nutrition, food and agriculture."

94. FAO's role and capacity in this regard is well established and universally acknowledged and referenced, in particular concerning headline hunger statistics. In order to retain this core strength, the Organization will continually review, enhance and refine the approach, techniques and methodologies of its statistical work, which in turn requires commensurate internal attention and resources.

95. For the implementation of the reviewed Strategic Framework, work on statistics plays a dual role, in creating the internal and external enabling environments which facilitate the delivery of statistical products that are global public goods, and in contributing to outputs and activities of the individual Strategic Objectives (SOs).

96. The overall coordination of the FAO statistical system is carried out through the Chief Statistician supported by an inter-departmental working group (IDWG) on statistics. The Chief Statistician has led a thorough review of FAO's statistical programme of work bringing clarity to its planning, monitoring and coordination, as follows:

- a) *statistical work that creates the internal and external enabling environments for the delivery of statistical products that are global public goods* is now planned and budgeted under Outcome 6.02 of Objective 6, with four Outputs (see Annex 5). This work includes the

<sup>19</sup> System-wide Action Plan (UN-SWAP) on gender equality and women's empowerment

<sup>20</sup> C 2013/REP paragraph 66

development of statistical norms and standards, national capacity development in statistics, and data compilation, validation, analysis and dissemination of data through FAOSTAT.<sup>21</sup> It also includes internal measures to coordinate, harmonize and ensure the quality of FAO statistics, as well as support to the corporate monitoring and evaluation framework;

- b) *work that directly contributes to achieving results under the SOs* is being planned and budgeted under specific Strategic Objectives. FAO statistics play a significant role in several statistical outputs and activities that are associated with the delivery of specific SO Outcomes and Outputs (e.g. green house gas emissions database in SO2; Voices of the Hungry project in SO1). New data needs, existing gaps and areas for data development are also being identified as part of the work planning process.

97. In the PWB 2014-15, the resources budgeted under outcome 6.02 covered only those of the Office of the Chief Statistician. The work planning exercise has resulted in an initial reallocation of USD 4.9 million in staff and non-staff resources from the Strategic Objectives to outcome 6.02, representing work related to point a) above.

#### *Decentralized offices network*

98. The Organization continues to improve its performance in producing results and impact at the country level by all aspects of FAO's work, as reported separately.<sup>22</sup> These and other measures taken have some impact on resource allocations in the PWB.

#### *Skills mix of posts in decentralized offices*

99. Skills mix reviews were undertaken by regional and subregional offices to ensure that their staffing structures matched the priorities of the countries and regions and were aligned with the work plans of Strategic Objectives. This follows the decentralized office post review undertaken after Council in June 2012. At that time, a series of budget-neutral adjustments to posts were made in all regions, including establishment and abolition of posts and changes in terms of reference, as reported to Council in December 2012.<sup>23</sup>

100. A further skills mix review was undertaken in regional and subregional offices following the June 2013 Conference and subsequent work planning by the Strategic Objective teams. This went further than the previous review in aligning technical expertise in regional and subregional offices with country and regional priorities on the one hand and the Strategic Objective work plans on the other. Regional office proposals were reviewed by Strategic Objective Coordinators and headquarters technical divisions. With only a few exceptions, there was agreement on where to fill technical gaps or reduce technical capacities where demand was less. Almost 70 changes were accepted by Senior Management, covering all regions, and including the creation of new posts, post abolitions, post regradings, post title changes and refocusing of the technical emphasis of posts. This has had a negligible effect on the distribution of resources and overall regional post counts, as explained in Section IV.

#### *Budgeting of Outposted Investment Officers*

101. There is a change in the budgetary treatment of Investment Officer posts that affects resource allocations and post counts. The budgetary treatment of eight Investment Officer posts that were budgeted directly in the decentralized offices was harmonized with the budgetary treatment of the other 13 Investment Officers in the decentralized offices that are budgeted in and outposted from the Investment Centre Division (TCI). Budgeting of all Investment Officers under TCI mitigates the risk to decentralized offices of a shortfall in the income portion of the funding of these posts, which is managed centrally by TCI. It has no effect on the number of Investment Officers working in the decentralized offices, which remains at 23. However, it does result in a reduction of budgeted resources and post counts in the decentralized offices, as shown in *Annexes 2, 3, and 4*.

<sup>21</sup> Corporate Database for Substantive Statistical Data (FAOSTAT)

<sup>22</sup> JM 2013.2/3; JM 2013.2/2

<sup>23</sup> CL 145/3

### *Budgeting for Regional Conferences*

102. As part of the review of corporate technical activities managed by specific offices, funding for the five Regional Conferences, amounting to USD 2.2 million, has been transferred from Chapter 10 (FAO Governance) to Chapter 6 (Outcome 1) to align their treatment with the Technical Committees of Council and Conference.

#### *Cost-share contribution to the UN Resident Coordinator system*

103. In considering the Interim Report on the Quadrennial Comprehensive Policy Review (QCPR) of Operational Activities for Development of the UN System, the Conference in June 2013 took note of the cost-sharing arrangement amongst members of the UN Development Group of 4 April 2013 and requested FAO to implement the agreement, in line with the provisions of the 2012 QCPR on the need to provide financial, technical and organizational support for the Resident Coordinator system.<sup>24</sup> In April 2013, the UNDG Principals had agreed on a modality for system-wide cost-sharing of the Resident Coordinator system by all UN Development Group (UNDG) member entities starting in 2014. FAO's estimated cost-share is approximately USD 4 million per biennium, which was not budgeted in the PWB 2014-15 published in February 2013, prior to the UNDG agreement.

104. The cost-shared funding will end the current ad hoc approach of country-level contributions by agencies to Resident Coordinator offices. FAO's current ad hoc contribution to the Resident Coordinator offices, through the FAO country offices, is less than USD 1 million per biennium, leaving over USD 3 million of the new cost-share contribution unbudgeted for 2014-15. In view of the fact that the Conference did not make any provision for additional resources or provide guidance on how to fund the cost-share, FAO will contribute no more than USD 2 million from the FAO country office budget toward its cost-share of the Resident Coordinator system in 2014-15, and make a proposal to fully fund its cost-share in the PWB 2016-17.

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

105. The identification of efficiency gains and savings and initial work planning has resulted in changes in the budgeted post establishment and shifts in resources among budgetary chapters. This section presents the net overall impact of these measures on budgeted posts and budgetary chapter allocations for review by the Programme and Finance Committees and approval by Council.

### *Adjustments to the PWB budgeted post establishment*

106. *Table 3* shows the overall impact on the budgeted post establishment. Column 2 includes a limited number of adjustments arising from early implementation decisions and realignment of post establishment in preparation for the implementation of the 2014-15 work plans, as set out in Section III. Column 3 shows the impact of measures to achieve efficiency gains and savings of USD 36.6 million set out in Section II.

107. The overall reduction of two posts shown in column 2 is the outcome of the recent skills mix review, undertaken by regional and subregional offices to ensure that their staffing structure matched the priorities of the countries and regions. These proposals resulted in a net decrease of one national professional and one general service post, however, they were implemented on a cost-neutral basis. The change in the general service and professional and above post net totals is due to the reconfiguration of the country office network staffing done, on a no-gain-no-loss basis, to better align the number of staff in national professional and general service categories with the responsibilities in support of the reviewed Strategic Framework.

108. The overall net reduction of 100 posts shown in Column 3 results from the critical review of the established post structure, modernization of the Information Technology Division (CIO) and rationalization for greater effectiveness of the corporate communication and partnership functions. Of these posts, 94 posts are located at headquarters and 6 in decentralized offices, including five

<sup>24</sup> C 2013/REP paragraph 73e

outposted CIO officers and one professional post in the Liaison Office with the United Nations, New York (LON). As part of the review, two CIO outposted officers were moved from Bangkok to headquarters, resulting in a net reduction of 92 posts at headquarters and eight posts in decentralized offices.

109. Of the abolished posts, 44 positions fall under Chapter 9 in CIO; 17 positions fall under Chapters 1, 2, 5 and 8 in OCC and OPC, TCE and LON; 16 positions under Chapter 11 in CS divisions and LEG; and 13 positions under Chapter 10 in OSD, OSP, ODG, OIG and CPA. Reductions are also made in the Security Expenditure Facility where 10 positions are abolished following the critical review of posts and the USD 2.16 million freed-up by these abolitions also contributed to the required savings of USD 36.6 million. *Annex 4* lists the post changes by grade group and organizational unit.

110. Effective 1 February 2013, FAO Management harmonized the status of 23 TCI Investment Officers staff assigned to decentralized offices to better reflect functional, administrative and reporting arrangements for these officers under the TCI business model. As a result of this technical adjustment, post funding and related non-staff resources for eight regional office posts were moved from the regions under the planning authority of TCI. The resulting changes in distribution of TCI and regional budgets and post counts are included in *Annexes 2, 3 and 4* totals. In particular, the transfer of planning authority from regions to TCI explains the perceptible change in totals in *Annex 3* for the Africa region where four of the eight transferred investment officers are located.

**Table 3: Evolution of budgeted posts by location and category**

Grade Category	PWB 2014-15 C 2013/3 (1)	Changes		Adjusted PWB 2014-15 (4)
		Implementation Adjustments (2)	Efficiency Gains and Savings (3)	
<b>Headquarters</b>				
Professional and above	911	0	(41)	870
General Service	687	0	(51)	636
<b>Total Headquarters</b>	<b>1,598</b>	<b>0</b>	<b>(92)</b>	<b>1,506</b>
<b>Decentralized</b>				
Professional and above	577	7	(8)	576
General Service	872	(9)	0	863
<b>Total Decentralized</b>	<b>1,449</b>	<b>(2)</b>	<b>(8)</b>	<b>1,439</b>
<b>All locations</b>				
Professional and above	1,488	7	(49)	1,446
General Service	1,559	(9)	(51)	1,499
<b>Total</b>	<b>3,047</b>	<b>(2)</b>	<b>(100)</b>	<b>2,945</b>

*Note: professional post counts in the decentralized offices in adjustments to the PWB 2014-15 include 32 outposted officers: 1 liaison officer, 4 internal auditors, 21 TCI investment officers, 5 finance officers and 1 animal health officer. The 25 junior professional posts are included in the headquarters count*

#### *Budgetary chapter transfers*

111. Table 4 shows the net impact on the budgetary chapter distribution from measures to achieve efficiency gains and savings set out in Section II, and from initial work planning as set out in Section III:

- column 1 recalls the budgetary chapter distribution approved in Resolution 7/2013;
- column 2 presents the shifts resulting from technical adjustments and reallocations for gender and statistics (see Section III), and removal from the chapter distribution of USD 14 million in efficiency savings, which were originally in the PWB proposal, for reallocation along with the USD 22.6 million in unidentified efficiency gains and savings;
- column 3 presents the shifts resulting from measures to achieve the total of USD 36.6 million in efficiency savings and gains (see Section II and *Annex 1*);

- d) column 4 presents the total budgetary chapter transfers presented in the adjustments; and  
 e) column 5 presents the adjusted distribution of the 2014-15 budgetary appropriation for approval by Council, in line with Financial Regulation 4.5.

**Table 4: Adjusted 2014-15 net appropriation by Chapter (in USD 000)**

Ch	Strategic/Technical/Functional Objective	Conference Resolution CR 7/2013	Technical Adjustments	Efficiency Gains and Savings	Net Adjustments	Adjusted PWB 2014-15
		(1)	(2)	(3)	(4 = 2+3)	(5 = 1+4)
1	Contribute to the eradication of hunger, food insecurity and malnutrition	95,023	491	(898)	(406)	94,617
2	Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner	197,559	2,928	(1,806)	1,122	198,681
3	Reduce rural poverty	66,018	(2,738)	(1,138)	(3,876)	62,142
4	Enable more inclusive and efficient agricultural and food systems at local, national and international levels	113,390	3,834	(2,007)	1,827	115,217
5	Increase the resilience of livelihoods to threats and crises	37,268	1,574	(937)	637	37,905
6	Technical Quality, Knowledge and Services	51,063	4,390	(707)	3,683	54,746
7	Technical Cooperation Programme	134,721	-	-	-	134,721
8	Outreach	66,684	1,219	(3,191)	(1,972)	64,712
9	Information Technology	44,007	2,865	(11,371)	(8,506)	35,501
10	FAO Governance, Oversight and Direction	86,060	(566)	(5,281)	(5,847)	80,213
11	Efficient and Effective Administration	89,399	(590)	(7,118)	(7,708)	81,691
12	Contingencies	600	-	-	-	600
13	Capital Expenditure	21,886	-	-	-	21,886
14	Security Expenditure	24,583	593	(2,159)	(1,566)	23,017
	Unidentified further efficiency gains and savings	(22,613)	(14,000)	36,613	22,613	-
<b>Total</b>		<b>1,005,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,005,648</b>

## V. Decisions required

112. Adjustments are proposed to the PWB 2014-15 for the identification of efficiency gains and savings amounting in total to USD 36.6 million, in line with the guidance provided by the Conference and Resolution 7/2013, and arising from initial work planning.

113. The Programme and Finance Committees are requested to consider the Adjustments to the PWB 2014-15 and the Council is requested to:

- a) take note that the guidance and decisions of the Conference have been implemented;
- b) approve the revised budgeted post establishment; and
- c) approve the revised distribution of the net appropriation by budgetary chapter as reflected in *Table 4*.

114. The Council is also requested to note that further budgetary transfers could arise as a result of further work planning, as well as 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.







Department/Office	Conference Resolution CR 7/2013	Technical Adjustments	Staff Cost Savings			Non-staff cost savings	Further Savings	Total Savings	Adjusted PWB 2014-15
			Posts	Staff Benefits	Sub-total				
	(1)	(2)	(3)	(4)	(5 = 3+4)	(6)	(7)	(8 = 5+6+7)	(9 = 1+2+8)
Africa	100,200	(762)	(2)	(115)	(117)	(405)	(306)	(828)	98,610
Asia and the Pacific	55,321	717	-	(67)	(66)	(194)	(176)	(436)	55,602
Europe and Central Asia	22,313	(54)	60	(28)	32	(133)	(66)	(167)	22,092
Latin America and the Caribbean	56,709	(127)	-	(62)	(62)	(182)	(174)	(418)	56,163
Near East	37,602	62	-	(45)	(45)	(161)	(119)	(325)	37,338
Multidisciplinary Fund	10,000	-	-	-	-	-	-	-	10,000
AOS-Corporate Income	(54,000)	-	-	-	-	-	-	-	(54,000)
Contingencies	600	-	-	-	-	-	-	-	600
Capital Expenditure	21,886	-	-	-	-	-	-	-	21,886
Security Expenditure	24,583	593	(2,159)	-	(2,159)	-	-	(2,159)	23,017
Unidentified further efficiency gains and savings	(22,613)	(14,000)	26,288	1,415	27,703	6,171	2,739	36,613	-
<b>Grand Total</b>	<b>1,005,648</b>	-	-	-	-	-	-	-	<b>1,005,648</b>

**Annex 3: 2014-15 Net appropriation by Chapter and region (in USD 000)**

Chapter	Headquarters/ Global		Africa		Asia and Pacific		Europe and Central Asia		Latin America and the Caribbean		Near East		Total		
	CR 7/2013	Adjusted PWB	CR 7/2013	Adjusted PWB	CR 7/2013	Adjusted PWB	CR 7/2013	Adjusted PWB	CR 7/2013	Adjusted PWB	CR 7/2013	Adjusted PWB	CR 7/2013	Adjustment	Adjusted PWB
1	45,617	42,663	19,237	19,586	6,664	7,054	4,331	5,358	11,285	11,401	7,888	8,555	95,023	(406)	94,617
2	104,159	103,948	38,345	39,139	18,416	18,546	5,860	6,010	19,854	19,929	10,925	11,109	197,559	1,122	198,681
3	39,403	39,730	8,652	7,107	6,223	5,186	3,848	2,926	5,708	5,426	2,185	1,768	66,018	(3,876)	62,142
4	74,529	78,849	17,292	15,571	7,371	8,055	2,452	2,174	6,441	5,917	5,305	4,650	113,390	1,827	115,217
5	20,642	20,330	6,246	6,785	3,091	3,583	1,255	1,309	3,212	3,237	2,822	2,662	37,268	637	37,905
6	50,702	52,284	81	631	4	403	28	421	225	591	22	416	51,063	3,683	54,746
7	24,771	24,771	43,700	43,698	26,390	26,390	11,157	11,159	19,767	19,767	8,936	8,936	134,721	-	134,721
8	54,893	52,734	709	725	2,942	3,277	6,211	5,928	872	1,101	1,057	947	66,684	(1,972)	64,712
9	40,822	32,265	932	946	380	387	518	526	754	766	600	610	44,007	(8,506)	35,501
10	67,266	64,194	3,946	3,357	5,038	3,839	2,264	2,010	3,030	2,467	4,516	4,346	86,060	(5,847)	80,213
11	60,383	52,531	3,792	3,795	6,098	6,212	12,496	12,528	4,792	4,793	1,839	1,833	89,399	(7,708)	81,691
12	600	600	-	-	-	-	-	-	-	-	-	-	600	-	600
13	21,886	21,886	-	-	-	-	-	-	-	-	-	-	21,886	-	21,886
14	24,583	23,017	-	-	-	-	-	-	-	-	-	-	24,583	(1,566)	23,017
Savings	(22,613)	-	-	-	-	-	-	-	-	-	-	-	(22,613)	22,613	-
<b>Total</b>	<b>607,644</b>	<b>609,802</b>	<b>142,933</b>	<b>141,341</b>	<b>82,615</b>	<b>82,931</b>	<b>50,421</b>	<b>50,347</b>	<b>75,940</b>	<b>75,394</b>	<b>46,096</b>	<b>45,831</b>	<b>1,005,648</b>	<b>-</b>	<b>1,005,648</b>

**Annex 4: Post count by grade group and organizational unit**

Organizational Unit/Department	PWB 2014-15 (C 2013/3)					Change					Adjusted PWB 2014-15				
	D	P	N	GS	Total	D	P	N	GS	Total	D	P	N	G	Total
Office of the Director-General (ODG)	3	8	-	12	23	-	-	-	-	-	3	8	-	12	23
Legal and Ethics Office (LEG)	2	19	-	11	32	-	(1)	-	(1)	(2)	2	18	-	10	30
Office for Corporate Communication (OCC)	2	50	-	35	87	-	(11)	-	(5)	(16)	2	39	-	30	71
Office for Partnerships, Advocacy and Capacity Development (OPC)	2	29	-	13	44	-	1	-	1	2	2	30	-	14	46
Office of Strategy, Planning and Resources Management (OSP)	3	19	-	10	32	(1)	2	-	(3)	(2)	2	21	-	7	30
Office of Human Resources (OHR)	1	8	-	4	13	-	-	-	-	-	1	8	-	4	13
Office of Evaluation (OED)	1	8	-	3	12	-	-	-	-	-	1	8	-	3	12
Office of the Inspector-General (OIG)	2	19	-	6	27	(1)	(1)	-	-	(2)	1	18	-	6	25
Deputy Director-General (Coordinator for Natural Resources) (DDN)	2	19	-	18	39	-	(1)	-	-	(1)	2	18	-	18	38
Climate, Energy and Tenure Division (NRC)	2	16	-	10	28	-	1	-	-	1	2	17	-	10	29
Land and Water Division (NRL)	2	19	-	8	29	-	-	-	-	-	2	19	-	8	29
Deputy Director-General (Operations) (DDO)	1	2	-	2	5	-	-	-	-	-	1	2	-	2	5
Conference, Council and Protocol Affairs Division (CPA)	2	38	-	60	100	-	-	-	2	2	2	38	-	62	102
Office of Support to Decentralization (OSD)	2	11	-	15	28	(1)	(3)	-	(3)	(7)	1	8	-	12	21
Information Technology Division (CIO)	2	57	4	29	92	-	(15)	(4)	(22)	(41)	2	42	-	7	51
<b>Apex</b>	<b>29</b>	<b>322</b>	<b>4</b>	<b>235</b>	<b>590</b>	<b>(3)</b>	<b>(28)</b>	<b>(4)</b>	<b>(31)</b>	<b>(66)</b>	<b>26</b>	<b>294</b>	<b>-</b>	<b>205</b>	<b>525</b>
Office of Assistant Director-General (AGD)	3	26	-	27	56	-	-	-	-	-	3	26	-	27	56
Animal Production and Health Division (AGA)	2	27	-	13	42	-	-	-	(1)	(1)	2	27	-	12	41
Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture (AGE)	1	8	-	-	9	-	-	-	-	-	1	8	-	-	9
Plant Production and Protection Division (AGP)	2	32	-	22	56	-	1	-	-	1	2	33	-	22	57
Rural Infrastructure and Agro-Industries Division (AGS)	1	24	-	10	35	1	(2)	-	-	(1)	2	22	-	10	34
<b>Agriculture and Consumer Protection Department (AG)</b>	<b>9</b>	<b>117</b>	<b>-</b>	<b>72</b>	<b>198</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>10</b>	<b>116</b>	<b>-</b>	<b>71</b>	<b>197</b>
Office of Assistant Director-General (ESD)	2	3	-	7	12	-	1	-	-	1	2	4	-	7	13
Agricultural Development Economics Division (ESA)	2	24	-	12	38	-	(3)	-	-	(3)	2	21	-	12	35
Statistics Division (ESS)	2	26	-	25	53	-	-	-	1	1	2	26	-	26	54
Trade and Markets Division (EST)	2	35	-	27	64	-	-	-	-	-	2	35	-	27	64
Nutrition Division (ESN)	2	12	-	6	20	(1)	1	-	-	-	1	13	-	6	20
Social Protection Division (ESP)	2	20	-	7	29	-	-	-	-	-	2	20	-	7	29
<b>Economic and Social Development Department (ES)</b>	<b>12</b>	<b>120</b>	<b>-</b>	<b>84</b>	<b>216</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>11</b>	<b>119</b>	<b>-</b>	<b>85</b>	<b>215</b>



Organizational Unit/Department	PWB 2014-15 (C 2013/3)					Change					Adjusted PWB 2014-15				
	D	P	N	GS	Total	D	P	N	GS	Total	D	P	N	G	Total
Regional Office for Africa (Accra) (RAF)	2	35	1	42	80	-	(1)	-	-	(1)	2	34	1	42	79
Subregional Office for Central Africa (Libreville) (SFC)	1	7	3	5	16	-	(1)	-	-	(1)	1	6	3	5	15
Subregional Office for Eastern Africa (Addis Ababa) (SFE)	1	10	3	6	20	-	(1)	-	-	(1)	1	9	3	6	19
Subregional Office for Southern Africa (Harare) (SFS)	1	10	3	10	24	-	(1)	-	(1)	(2)	1	9	3	9	22
<b>Africa (RAF)</b>	<b>5</b>	<b>62</b>	<b>10</b>	<b>63</b>	<b>140</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(1)</b>	<b>(5)</b>	<b>5</b>	<b>58</b>	<b>10</b>	<b>62</b>	<b>135</b>
Regional Office for Asia and the Pacific (Bangkok) (RAP)	2	45	-	72	119	-	-	-	-	-	2	45	-	72	119
Subregional Office for the Pacific Islands (Apia) (SAP)	1	7	-	7	15	-	-	1	-	1	1	7	1	7	16
<b>Asia (RAP)</b>	<b>3</b>	<b>52</b>	<b>-</b>	<b>79</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>52</b>	<b>1</b>	<b>79</b>	<b>135</b>
Regional Office for Europe and Central Asia (Budapest) (REU)	2	19	2	20	43	-	-	-	-	-	2	19	2	20	43
Subregional Office for Central Asia (Ankara) (SEC)	1	8	3	8	20	-	(1)	-	-	(1)	1	7	3	8	19
<b>Europe and Central Asia (REU)</b>	<b>3</b>	<b>27</b>	<b>5</b>	<b>28</b>	<b>63</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>3</b>	<b>26</b>	<b>5</b>	<b>28</b>	<b>62</b>
Regional Office for Latin America and the Caribbean (Santiago) (RLC)	2	33	4	42	81	-	(1)	(2)	-	(3)	2	32	2	42	78
Subregional Office for the Caribbean (Bridgetown) (SLC)	1	7	3	10	21	-	1	-	-	1	1	8	3	10	22
Subregional Office for Mesoamerica (Panama City) (SLM)	1	9	3	5	18	-	(1)	-	-	(1)	1	8	3	5	17
<b>Latin America and Caribbean (RLC)</b>	<b>4</b>	<b>49</b>	<b>10</b>	<b>57</b>	<b>120</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>	<b>-</b>	<b>(3)</b>	<b>4</b>	<b>48</b>	<b>8</b>	<b>57</b>	<b>117</b>
Regional Office for the Near East and North Africa (Cairo) (RNE)	2	27	3	31	63	-	(1)	(2)	2	(1)	2	26	1	33	62
Subregional Office for North Africa (Tunis) (SNE)	1	9	3	12	25	-	(1)	-	-	(1)	1	8	3	12	24
<b>Near East (RNE)</b>	<b>3</b>	<b>36</b>	<b>6</b>	<b>43</b>	<b>88</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	<b>2</b>	<b>(2)</b>	<b>3</b>	<b>34</b>	<b>4</b>	<b>45</b>	<b>86</b>
<b>Total</b>	<b>134</b>	<b>1,162</b>	<b>193</b>	<b>1,559</b>	<b>3,047</b>	<b>(8)</b>	<b>(40)</b>	<b>5</b>	<b>(60)</b>	<b>(102)</b>	<b>126</b>	<b>1,122</b>	<b>198</b>	<b>1,499</b>	<b>2,945</b>