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Alimentación

COUNCIL

**Report of the Joint Meeting of the
Ninety-eighth Session of the Programme Committee
and the
Hundred and Nineteenth Session of the Finance Committee**

Rome, 5 September 2007

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Matters requiring attention by the Council

Matters requiring discussion and/or decision

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REPORT OF THE JOINT MEETING OF THE PROGRAMME AND FINANCE COMMITTEES

Rome, 5 September 2007

Introduction

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

Programme Committee

Chairperson

Mr V. Heard (United Kingdom)

Members

Mr A.R. Ayazi (Afghanistan)
Ms J. Barfield (Australia)
Mr J. Melanson (Canada)
H.E. M. Arvelo Caamaño (Dominican Republic)
Mr R. Parasuram (India)
Ms Z. Budhan (Jamaica)
Mr S.A Essa (Libyan Arab Jamahiriya)
Mr Y. Olaniran (Nigeria)
Mr R. Recide (Philippines)
Ms V.B. Titi (South Africa)

Finance Committee

Chairperson

Mr A. Ashraf Khawaja (Pakistan)

Members

Mr A. Bakayoko (Côte d'Ivoire)
Mr S. Skafte (Denmark)
Mr E.W. Hein (Germany)
Mr A. Zodda (Italy)
Mr S. Yokoi (Japan)
Ms A.M. Baiardi Quesnel (Paraguay)
Mr R. Seminario Portocarrero (Peru)
Mr L. Brudvig (USA)
H.E. M. Muchada (Zimbabwe)

Item 1: Adoption of the Agenda¹

3. The Agenda for the Joint Meeting was approved.

Item 2: Programme of Work and Budget 2008-09²

4. After receiving oral reports from the respective Chairpersons on proceedings in the two Committees, the Committees jointly addressed the PWB 2008-09. They noted that the specific guidance on the contents of the full PWB provided at their previous sessions of May 2007, and by the Council in June, had been taken into account. This guidance included the further development of the maintenance budget presented in the Summary PWB³, as well as more proposals for the funding of reserves and long-term liabilities to restore the financial health of the Organization.

5. The Committees recognised that the proposed level for the revised maintenance budget would result in: a) a considerable increase in assessment with respect to previous biennia; b) differentiated impacts on individual countries in national currencies; c) partial restoration of the financial health of the Organization; and d) non-provision of funding for additional programme activities. In response to a request for more comprehensive presentation of the implications of the exchange rate fluctuations expressed in US dollars, as the Organization's functional currency for

¹ JM 07.2/1

² C 2007/3

³ CL 132/3

budgeting purposes, and of the split assessment system on contributions, the Secretariat provided clarifications and indicated it would include an Information Note on the matter to support members in their preparation for the PWB discussions.

6. On the substantive side, while noting that the full PWB also adhered to the expectation of the Council of no major reprioritisation pending the outcome of the IEE, the Committees acknowledged that some limited adjustments to existing programmes had been made, particularly to take more fully on board new challenges such as climate change and bioenergy. The Committees appreciated the attempt to present Regular Programme and extra-budgetary resources in a more integrated fashion, which could be pursued as part of a holistic resource mobilisation strategy. The Committees also requested more precise information on monetary targets for efficiency savings in the next biennium.

7. The Committees recognised that the proposals in the PWB could not address possible follow-up to the IEE. They noted that an important element of information in future discussions would be the estimates of costs and savings arising from recommendations, which would be available only in the final report of the IEE in October. The Committees recalled that the two tracks for inter-governmental consideration of the PWB on the one hand, and of the IEE documentation on the other, as decided by the Council, were expected to converge at the Conference, leading to informed decisions in both areas, which could not be prejudged at this stage.

8. Given the wide range of views expressed on the budget level, the Committees could not reach a consensus. The spectrum of opinions included the following ideas, sometimes with overlapping support.

- The proposals for a maintenance budget in the PWB document, in terms of total resource availability to the Organization under its Regular Budget, should be considered as the minimum, bearing in mind the challenges FAO was expected to address and the negative cumulative impact of the budgetary stringency experienced in recent biennia.
- Increases in assessments of such magnitude and as currently presented in the document, would be difficult to support.
- The absolute level of the budget proposed could not be supported in the light of need for reprioritization of programmes and spending.
- It was not felt possible or opportune to express positions of a purely financial nature at this stage, as not all elements of relevant information were yet available and that the outcome of the IEE could have ramifications in both the substantive contents and resource requirements for the Programme of Work in the next biennium.

Item 3. Savings and Efficiencies in Governance

9. There was no discussion under this agenda item.

Item 4. Any Other Business

10. There was no discussion under this agenda item.