

## C 2013/3 - Medium Term Plan 2014-17 and Programme of Work and Budget 2014-15

### Information Note no. 2 – April 2013

#### *Requests stemming from the Programme and Finance Committees (18-22 March 2013)*

1. This information note responds to the requests of the Programme and Finance Committees (18-22 March 2013) to provide additional information to the Council on the Medium Term Plan 2014-17 and Programme of Work and Budget 2014-15, on three matters:

- I. The proposed reallocation of resources to higher priority areas identified by the Director-General (CL 146/3 paragraph 24g).
- II. Further clarification on work in the area of social protection, and on natural resources in relation to the proposed organizational structure (CL 146/4 paragraph 6i and CL 146/5 paragraph 4f).
- III. The distribution of resources and posts between headquarters and decentralized offices (CL 146/4 paragraph 6h).

#### **I. Proposed reallocation of resources to higher priority areas**

2. Within the Programme of Work and Budget 2014-15 (PWB), USD 31.5 million has been reallocated to higher priority areas of work. The Finance Committee, at its March 2013 session, requested the Secretariat to provide further information, including costings, on the proposed reallocation of resources to higher priority areas identified by the Director-General.<sup>1</sup>

3. Table 1 (overleaf) provides a comprehensive overview of the reallocation of resources to higher priority areas and the source of these resources, which is further described below, elaborating on C 2013/3 (PWB 2014-15) paragraphs 173-174.

#### **A. Higher priority areas requiring incremental resources**

4. Six higher priority areas requiring incremental resources are identified in C 2013/3 (PWB 2014-15) paragraph 173. The USD 31.5 million in resources reallocated for these requirements are broken out in rows 1 to 7 and 8 to 13 of Table 1 and are described in more detail below.

#### ***Technical Cooperation Programme (Row 1)***

5. The 145<sup>th</sup> session of Council, in December 2012, approved the Organization's proposals for the enhancement of the Technical Cooperation Programme,<sup>2</sup> to allow the Programme to be better aligned with FAO's corporate planning and monitoring instruments, including the reviewed Strategic Framework and the Country Programming Frameworks (CPFs).

6. The enhancement of the Technical Cooperation Programme (TCP) is considered an essential instrument to achieve results under the reviewed Strategic Framework. At country level, the TCP will better address priorities reflected in the CPFs and improve FAO's response and impact. The enhanced TCP will be a more strategic instrument, better integrated with Country Programming Frameworks, and is also expected to catalyse resource mobilization and partnerships to achieve results.

7. To support this more strategic use of TCP resources, the PWB 2014-15 proposes to increase the TCP appropriation by USD 15.8 million to reach USD 131.9 million before cost increases, or 13 percent of the Net Appropriation. This is also in line with Conference Resolution 9/89 inviting the Director-General "to make every effort in order to restore the resources available to the former level of 14 percent of the total Regular Programme Budget and, if possible, to raise it to 17 percent".

<sup>1</sup> CL 146/3 paragraph 24g

<sup>2</sup> CL 145/8 and CL 145/REP paragraphs 18-21



<b>Table 1: Reallocation of Resources to higher priority areas in PWB 2014-15</b>		<b>USD'000</b>
	<b><i>Higher priority areas requiring incremental resources (C 2013/3, paragraph 173)</i></b>	
1	Technical Cooperation Programme (para 173a)	15,800
2	Strengthening Corporate Communication Function (OCC) (para 173b)	3,000
3	Strengthening Partnerships, Advocacy and Capacity Development Function (OPC) (para 173b)	4,000
4	Reinforcing SO 3 <i>Reduce rural poverty</i> relating to social protection (para 173c)	5,000
5	Increasing budget of Office of Evaluation to reach 0.8% of net appropriation (para 173d)	1,100
6	Transitional resources for a Director-General Elect (para 173f)	200
7	<i>Subtotal</i>	<i>29,100</i>
	<b><i>Other areas (para 173e)</i></b>	
8	Technical Networks (AG, ES, FI, FO Departments)	800
9	Statistics (ESS)	400
10	Flagship publications (ESA)	300
11	Strategic planning and monitoring (OSP)	500
12	Internal audit (OIG)	400
13	<i>Subtotal</i>	<i>2,400</i>
<b>14</b>	<b>Total reallocation of Resources to higher priority areas</b>	<b>31,500</b>
	<b><i>Source of Resources (C 2013/3 para 174)</i></b>	
15	Efficiency savings	10,000
16	Abolition of the Office of ADG, Natural Resources Management and Environment Department	1,600
17	Multidisciplinary Fund	1,300
18	One-time IPA Resources	8,600
19	<i>Subtotal</i>	<i>21,500</i>
20	1 percent real increase	10,000
<b>21</b>	<b>Total Source of Resources</b>	<b>31,500</b>

8. The distribution of the USD 15.8 million additional resources for the TCP follows the principles agreed in IPA actions 3.22 and 3.23:
- a) 15 percent of TCP resources is earmarked for emergency projects and up to 3 percent for inter-regional projects, to be managed by the ADG, Technical Cooperation Department (USD 2.4 million additional resources); and
  - b) the remaining bulk of TCP resources (USD 13.4 million additional resources) is earmarked for regional, subregional and national non-emergency projects to be managed by the respective Regional Representative and distributed by region as follows: Africa, 40 percent; Asia and the Pacific, 24 percent; Latin America and the Caribbean, 18 percent; Europe and Central Asia, 10 percent; Near East, 8 percent.

***Strengthening the corporate communication function (Row 2)***

9. The corporate communication function plays a critical role in the implementation of the reviewed Strategic Framework and the recognition of FAO as a centre of excellence in all of the areas of its mandate. The corporate communication function will be made more coherent by incorporating the knowledge management activities from the Office of Knowledge Exchange into the new Office for Corporate Communication (OCC), also reinforcing accessibility and use of FAO's public goods.

Incremental resources of USD 3 million are required to further strengthen corporate communication in three areas:

- a) good external communication is essential for FAO's knowledge products to be fully used by all relevant stakeholders, in the appropriate languages, thus contributing to achieving the outcomes under FAO's Strategic Objectives. The Organization's corporate Web site will be modernized taking advantage of new technologies and its language coverage will be strengthened to improve audience reach, including facilities for on-demand translation;
- b) good internal communication is necessary for the Organization to be effective in delivering its Programme of Work and for it to be able to speak with one voice, throughout its headquarters and decentralized locations. Targeted internal communication is indispensable for transformational change to take place effectively and will be enhanced to support the implementation of matrix management and the exchange of information across the Organization; and
- c) FAO's new publication policy aims to ensure that publications contribute to the Organization's results in a concrete and measurable way. It puts in place a new accountability framework and an enhanced quality assurance process, and aims to create synergies across departments and locations, expanding language coverage and outreach to specific audiences.

***Strengthening the partnerships, advocacy and capacity development function (Row 3)***

10. The new Office for Partnerships, Advocacy and Capacity Development (OPC) will facilitate a strategic, systematic and synergistic approach to these three FAO core functions by incorporating the capacity development activities of the Office of Knowledge Exchange and strengthening the partnership and advocacy function.

11. Strong and sustainable partnerships are necessary for the achievement of FAO's new Strategic Objectives. FAO's new approach to fostering partnerships fully recognizes the key role that the different stakeholders can play in the fight against hunger and poverty. Therefore, one of OPC's main challenges is to develop and showcase concrete joint actions with non-State partners from a wide range of constituencies, while enhancing synergies and building on respective comparative advantages, complementarities and capacities.

12. The implementation of the new strategies for partnership with the private sector and with civil society organizations requires that staff at all locations develop capacities to initiate, manage, implement and monitor strategic partnerships. A monitoring and evaluation system needs to be put in place in order to ensure that the Organization's impartiality and its characteristic of being a neutral forum are preserved throughout any partnership initiative. OPC will act as the organizational focal point for partnerships development, implementation and monitoring and multi-stakeholder processes, and will develop, implement and leverage catalytic and innovative partnership initiatives with other UN organizations, international governmental organizations, civil society organizations, private companies, producer organizations, cooperatives, and academic and research institutions.

13. The work on partnerships will be closely linked to advocacy for gender equality and women's empowerment, the Alliance Against Hunger and Malnutrition, and the Right to Food. As the organizational focal point for capacity development, OCP will provide approaches, tools and methods to enhance the quality of FAO's capacity development work in programming, including through partnership arrangements and provide support to member countries and partners in sharing agricultural information and knowledge on technologies and good practices, applying global standards and tools.

14. Incremental resources of USD 4 million are required to:

- a) initiate and implement pilot partnership initiatives through capacity development activities and programmes at country, regional and global levels;
- b) set up a monitoring and evaluation system for partnerships;
- c) generate and disseminate knowledge, best practices and lessons-learned on innovative partnership models and capacity development;

- d) increase FAO's capacity in partnerships and capacity development (staff training and tools for engaging in partnerships) with emphasis on decentralized offices and assist these offices in partnership development and implementation;
- e) strengthen advocacy actions and communication for development regarding gender, right to food, indigenous people and alliance against hunger and malnutrition.

***Reinforcing Strategic Objective 3 - Reduce rural poverty, in the area of social protection (Row 4)***

15. The requirement of USD 5 million for reinforcing Strategic Objective 3 in the area of social protection is described in paragraphs 24-29 below.

***Increasing the budget of the Office of Evaluation to reach 0.8 percent of Net Appropriation (Row 5)***

16. In line with IPA action 2.78 and as confirmed by the Conference in 2011,<sup>3</sup> the budget of the Office of Evaluation (OED) should reach 0.8 percent of the Net Appropriation in 2014-15. This requires incremental resources of USD 1.1 million, bringing OED's budget to USD 8.1 million (before cost increases) in the proposed PWB 2014-15.

17. The additional resources will enable OED to deliver two additional major (i.e. country, thematic or strategic) evaluations in the biennium. The Office will also be able to deliver more independent validations of follow-up reports to management responses, and it will produce additional knowledge management products (e.g. synthesis reports) as a way to further enhance organizational learning from evaluations.

***Transitional resources for a Director-General Elect (Row 6)***

18. The Council at its session in December 2012, decided that the proposal regarding resources to be made available to a new Director-General between the time of their election and assumption of duties, should be addressed in the context of the preparation of the Programme of Work and Budget for a biennium in which a Director-General would be elected.<sup>4</sup> Therefore, resources equivalent to USD 0.2 million are reallocated for this purpose in the PWB 2014-15. The budgeted resources would cover facilities to be provided to a Director-General Elect from the date of election until 1 August (about 6 weeks), including staff support and resources for communications and travel.

***Technical networks, statistics, and flagship publications (Rows 8-10)***

19. Three key areas are identified for further strengthening within the sixth objective, which focuses on technical quality, knowledge and services, for an incremental amount of USD 1.5 million. Specifically, resources are reallocated for:

- a) the creation of technical networks led by the technical departments, to ensure the excellence of the technical knowledge required to achieve and support the delivery of the Strategic Objectives ;
- b) statistics, to ensure quality and integrity of the data produced and analyzed by the Organization; and
- c) flagship publications, to ensure preparation of the "State of" publications on food insecurity, agriculture, fisheries and aquaculture, and forestry.

***Strategic planning and monitoring, and internal audit (Rows 11-12)***

20. Resources are reallocated to two of the Apex units, the Office of Strategy, Planning and Resources Management (USD 0.5 million) and the Office of the Inspector-General (USD 0.4 million) to ensure they can fulfill their growing functions relating to strategic planning and monitoring, and internal audit.

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<sup>3</sup> C 2011/REP paragraph 96a)

<sup>4</sup> CL 145/REP paragraph 36g)

## B. Source of resources

21. Resources totaling USD 21.5 million were identified in four main areas within the 2012-13 net appropriation of USD 1,005.6 million for reallocation to the higher priority areas, as shown in Table 1 rows 15-18 and described below.

- a) *Biennial efficiency savings* for 2014-15 are forecasted at USD 10 million, with department/office budgets adjusted downwards accordingly. The scope of work for improving efficiency is all-inclusive, with all processes/areas subject to review for value adding and streamlining, as elaborated in the PWB 2014-15 paragraphs 257-271.
- b) As described in the PWB 2014-15<sup>5</sup> and further elaborated in paragraphs 30-33 below, all of the units of the Natural Resources Management and Environment Department (NR) will be attached directly to the Office of the Deputy Director-General, Coordinator for Natural Resources (DDN). As part of this restructuring, the existing *office of the ADG/NR* will be abolished, specifically the posts of the ADG/NR, one Professional (Senior Programme Coordinator) and three General Service. The USD 1.6 million freed up is proposed for reallocation.
- c) The *Multidisciplinary Fund (MDF)* was created in the PWB 2010-11 as a means to strengthen collaboration across disciplines and organizational boundaries to increase FAO's effectiveness in priority areas of work. In the Transformational Changes in the 2012-13 biennium, additional resources were allocated to the MDF, bringing the total resources available to USD 11.3 million<sup>6</sup> to: i) develop programme concepts and work on priority areas relating to the new Strategic Objectives; ii) develop institutional capacity relating to core functions; iii) develop and implement six programmatic regional initiatives; iv) support selected cross-cutting initiatives; and v) develop innovations in business processes. In the PWB 2014-15, MDF resources are budgeted at USD 10 million and will be used to support programmatic regional initiatives, emerging areas of cross-cutting work and innovations in business processes. As a result, USD 1.3 million is available for reallocation.
- d) A surplus balance of USD 8.7 million was recorded against the 2010-11 biennial appropriation of USD 1,000.5 million and was carried over to 2012-13 as authorized by Conference Resolution 5/2011. The balance included USD 0.5 million for deferred 2010-11 one-time IPA investment costs, and USD 8.2 million to be applied towards 2012-13 IPA investment costs. As a result, USD 8.2 million of the USD 16.8 million of *one-time IPA investment costs* voted in the 2012-13 Budgetary Appropriations Resolution<sup>7</sup> was funded by the one-time carry over, leaving USD 8.6 million of one-time IPA investment costs funded from the 2012-13 net appropriation.<sup>8</sup> As the one-time IPA expenditures will all take place in 2012-13, the resources of USD 8.6 million within the 2012-13 Net Appropriation are not required for that purpose in 2014-15 and have been proposed for reallocation.

22. Finally, the Director-General is proposing a 1 percent real increase (USD 10 million) in 2014-15 compared with the 2012-13 budget level, to attain the full amount of USD 31.5 million required for higher priority areas (Table 1, rows 20-21).

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<sup>5</sup> C 2013/3, paragraphs 217-218

<sup>6</sup> CL 145/3, paragraphs 27-29

<sup>7</sup> Conference Resolution 5/2011 paragraph 1b)

<sup>8</sup> CL 144/3, paragraphs 34-35

## **II. Work in the area of social protection, and on natural resources in relation to the proposed organizational structure**

23. The Programme Committee and the Joint Meeting requested further clarification on work in the area of social protection, and on natural resources in relation to the proposed organizational structure.<sup>9</sup>

### **A. Social protection**

24. Evidence from all countries that have significantly reduced poverty in recent times shows that social protection programmes played a central role in this achievement. These programmes can be used for specific rural development and rural hunger reduction objectives to complement initiatives that enhance smallholder productivity and rural employment. FAO is in a good position to advise governments on the policy dimensions and contexts to ensure that, together with development initiatives, social protection programmes contribute to reduce hunger.

25. At the turn of the millennium, social protection has gained increasing interest in the development policy agenda as a response to economic, man-made and natural shocks, but also as an instrument to achieve longer-term outcomes as labour productivity and a more broad-based and equitable development, especially in rural areas. Concerned about the ongoing global financial and economic crisis and the increasing inequalities both across and within the countries, the UN Chief Executives Board for Coordination (CEB), supported by its High Level Committee on Programmes (HLCP) adopted the *Social Protection Floor Initiative (SPF-I)*, as one of its initiatives to cope with the effects of economic, man-made and weather-related shocks, as well as to remove structural causes of poverty, hunger and inequality. Moreover, FAO member countries through the Committee on World Food Security have supported the recommendations of the High Level Panel of Experts on how social protection can contribute to achieve agriculture, food security and nutrition, and rural livelihoods outcomes. Rural poor are the most vulnerable to shocks and have generally no access to social protection systems. Of rural poor households, those headed by females are the most vulnerable.

26. FAO is not new to this area of work and already promotes the role of social protection in enhancing food security and rural development. This is evident in the overall twin track approach to reduce hunger aimed at: i) improving livelihoods by promoting agricultural production and rural development, with a focus on smallholders; and ii) facilitating direct and immediate access to food, partly through social protection interventions. Most of FAO's work to provide relief in emergencies and rebuild agricultural livelihoods could be classified along the social protection spectrum. The right to food approach developed by FAO provides the framework for its effective integration in development policies, including social protection policies. Finally, social protection is central to FAO's work on women's empowerment and decent work in rural areas.

27. However, FAO has been unable historically to translate in significant measure the importance of social protection within the purview of its mandate into effective results and impact. This is primarily due to insufficient, dedicated capacity and expertise required to work in synergy with the Organization's other technical components. For example, as recently as the 2010-11 biennium, FAO has commissioned analyses and published studies highlighting the nexus between migration, remittances, rural development and food security. But the Organization has not been able to capitalize on this diagnosis due to lack of requisite expertise, which needs to be put in place.

28. Accordingly, FAO will build its capacity to support member countries to provide not only adequate income protection to the rural poor, but also to improve food security, agricultural productivity and foster more equitable rural development. This work will also place special emphasis on how social protection can empower rural women and promote decent work in rural areas. The activities will cover all dimensions of food security (availability, access, utilization and stability) and

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<sup>9</sup> CL 146/4 paragraph 6i; CL 146/5 paragraph 4f

address the entire range of social protection interventions, from preventive to transformative interventions, within a coherent policy framework at both macro and sectoral level and in close coordination and cooperation with other development partners, including the World Bank, UNICEF, ILO, UN Women, as well as the Rome-based agencies.

29. In the biennium 2014-2015, FAO will deploy its efforts under Strategic Objective 3 relating to social protection in three directions:

- a) at the country level, providing support to, and strengthening capacities of countries in creating an enabling environment for effective social protection policies to enhance food security and nutrition and rural poverty reduction;
- b) at the global level, enhancing current partnerships (World Bank, UNICEF, ILO, UN Women, Rome-based agencies) and developing new collaboration with other development partners, including civil society networks, to make the Organization a strong and credible partner for agriculture, food security and nutrition, and rural livelihoods related social protection policies;
- c) within FAO, strengthening capacities and coordination across departments, offices and locations and applying a corporate approach to social protection work and effective contribution to the delivery of the reviewed Strategic Framework.

30. Incremental resources of USD 5 million are required for reinforcing Strategic Objective 3 in the area of social protection (Table 1, row 4) to provide for:

- a) knowledge generation through development of guidelines, methodologies, approaches, tools, including for training activities. This will include in particular policy impact assessment tools and capacity development instruments, policy briefs, country profiles and dissemination papers/notes, as well as information generation;
- b) direct support to countries by reviewing country social protection policies with a focus on agriculture, rural livelihoods, formal and informal systems, assessing possible gaps and identifying options and capacity needs at all levels;
- c) enhancement of FAO's capacity on social protection for staff at headquarters and in decentralized offices to strengthen the Organization's effectiveness and working modalities in planning and delivering on social protection; and
- d) strengthening of collaboration and contribution to international fora mainly through coordination and further development of joint global and regional initiatives.

#### **B. Natural resources in relation to the proposed organizational structure**

31. In reviewing the FAO Strategic Framework during 2012, the governing bodies emphasized the importance of the sustainable management of natural resources in the fields of agriculture, fisheries, forests, agricultural heritage and genetic resources. This is also in line with the outcome of the Rio+20 Conference and the recognition that sustainable management of natural resources is essential to achieving food security and poverty reduction. It is also reflected in Strategic Objective 2 to increase and improve the provision of goods and services from agriculture, forestry and fisheries in a sustainable manner.

32. Therefore, in the PWB 2014-15 the role of the Deputy Director-General, Knowledge (DDK) is transformed into Deputy Director-General, Coordinator for Natural Resources (DDN). As a consequence, the Office of ADG, Natural Resources and Environment Department (NR) will be abolished (see paragraph 21b) and all of the units of the current NR Department will be attached directly to DDN without changes to their functions. These include the Land and Water Division; the Climate, Energy and Tenure Division; and the five small units for Research and Extension, secretariat of the Commission on Genetic Resources for Food and Agriculture, secretariat of the Global Forum for Agricultural Research, and the CGIAR Independent Science and Partnership Council and Independent Evaluation Arrangement.

33. Placing these units under the direct supervision of the DDN will ensure that their capacity to support environmental services and sustainable management and use of land, water and genetic

resources, as well as agriculture research and extension systems is applied in a coordinated and coherent manner across the agriculture, forestry, and fisheries and aquaculture sectors.

34. Furthermore, to ensure the focus of DDN on coordination of natural resources, the reporting lines of two large offices that reported to DDK will be changed: the ADG, Economic and Social Development Department will report directly to the Director-General, and the Office of Knowledge Exchange is abolished and its functions and resources transferred to OCC and OPC (see paragraphs 9-14). Thus only five large offices will report to DDN, compared with six that reported to DDK.

### III. Distribution of resources and posts between headquarters and decentralized offices

35. The Programme Committee requested further clarification on the distribution of resources and posts between headquarters and decentralized offices.<sup>10</sup> Tables 2 and 3 show the progression of distribution of the Net Appropriation and budgeted posts from the PWB 2012-13 adjustments (reflecting the approved 2012-13 budget level), further adjustments and transformational changes, to the PWB 2014-15 proposal.

36. Table 2 demonstrates that the cumulative impact of these changed budget distributions results in a net reduction of resources at headquarters of USD 13.8 million and a net increase in the decentralized offices of USD 23.8 million.

*Table 2: Cumulative impact of 2012-13 transformational changes and 2014-15 PWB proposals on distribution of net appropriation*

Budget Document (USD million, net appropriation)	Headquarters		Decentralized Offices		Grand Total	
	Budget	Change	Budget	Change	Budget	Change
Adjustments to the PWB 2012-13 (CL 143/3) (at approved budget level)	645.0	-	360.6	-	1,005.6	-
Further Adjustments to the PWB 2012-13 (CL 144/3 Annex 6)	633.3	(11.8)	372.4	11.8	1,005.6	0.0
Transformational Changes in the 2012-13 Biennium (CL 145/3 Annex 4)	627.3	(6.0)	378.3	5.9	1,005.6	0.0
PWB 2014-15 (C 2013/3 Annex III) (at 2012-13 rates)	631.2	3.9	384.4	6.1	1,015.6	10.0
<b>Total Change</b>		<b>(13.8)</b>		<b>23.8</b>		<b>10.0</b>

37. Table 3 demonstrates an overall net decrease at headquarters of 104 posts, and an increase of 48 posts in decentralized locations.

*Table 3: Cumulative impact of 2012-13 transformational changes and 2014-15 PWB proposals on distribution of established posts*

Budget Document (Established Post Counts)	Headquarters		Decentralized Offices		Grand Total	
	Total	Change	Total	Change	Total	Change
Adjustments to the PWB 2012-13 (CL 143/3) (at approved budget level)	1,702	-	1,401	-	3,103	-
Further Adjustments to the PWB 2012-13 (CL 144/3)	1,617	(85)	1,432	31	3,049	(54)
Transformational Changes in the 2012-13 Biennium (CL 145/3)	1,604	(13)	1,445	13	3,049	0
PWB 2014-15 (C 2013/3)	1,598	(6)	1,449	4	3,047	(2)
<b>Total Change</b>		<b>(104)</b>		<b>48</b>		<b>(56)</b>

<sup>10</sup> CL 146/4 paragraph 6h



38. The adjustments to the PWB 2012-13<sup>11</sup> endorsed by Council in December 2011, focused on further efficiency gains to achieve USD 34.5 million in savings required by the Conference in approving the programme of work and the budgetary appropriation for the 2012-13 biennium.

39. In June 2013, Council approved further adjustments to the Programme of Work and Budget 2012-13<sup>12</sup>, which resulted in a net transfer of USD 11.8 million from headquarters to decentralized offices, mainly due to the reprogramming of savings achieved in Functional Objectives X and Y following a critical review of posts. As part of the strengthening of decentralized offices, 31 posts were established, while at headquarters the critical review resulted in 85 posts being abolished.

40. Additional measures for institutional strengthening and enhanced programme delivery were introduced in the Transformational Changes in the 2012-13 Biennium<sup>13</sup> approved by Council in November 2012. These changes resulted in a further shift of USD 5.9 million and 13 posts from headquarters to decentralized offices, which was mainly due to the transformation of the TC Department.

41. Finally, a number of initiatives impacting resources in decentralized offices are proposed in the PWB 2014-15. Firstly, the enhancement to the Technical Cooperation Programme makes an additional USD 13.4 million available to the regions.

42. Furthermore, the new model for the distribution of project servicing costs (PSC) for emergency projects increases the share of the PSC income from emergency projects to be allocated to country offices, based on the functions they deliver in the area of operations, from 15 to 40 percent. As part of the introduction of this new model, the share of PSC income that was directly budgeted under the FAOR net appropriation in the previous model (USD 4 million) has been removed.<sup>14</sup> While this has decreased the FAOR net appropriation budget by USD 4 million, incremental biennial emergency PSC income earnings and expenditure for the FAORs under the new model are expected to be approximately USD 20 million.<sup>15</sup>

43. Taking the above into consideration, as well as the across-the-board efficiency savings, resources in decentralized locations show a net budgetary increase of USD 6.1 million in the PWB 2014-15, consisting of a net decrease in decentralized offices (regional, subregional, liaison and country offices) of USD 7.3 million and an increase of USD 13.4 million for TCP.

44. The PWB 2014-15 also includes the net addition of four professional posts in the decentralized locations. These additional posts are the result of the outposting of five Finance Officer posts from the Finance Division to the regional offices to support FAO's decentralization efforts, and the return to headquarters of one Information Officer post.

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<sup>11</sup> CL 143/3

<sup>12</sup> CL 144/3

<sup>13</sup> CL 145/3

<sup>14</sup> C 2013/3, paragraph 246

<sup>15</sup> As income and expenditure offset each other, this increase is not visible in the net appropriation resource presentation.