

The Director-General's

# Medium Term Plan 2010-13 *(Reviewed)*

and

# Programme of Work and Budget 2012-13



C 2011/3

Thirty-seventh Session  
of the Conference  
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**The Director-General's  
Medium Term Plan 2010-13**  
*(Reviewed)*

**and**

**Programme of Work and Budget  
2012-13**

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**Food and Agriculture  
Organization of the  
United Nations**

*Rome 2011*

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## DIRECTOR-GENERAL'S FOREWORD

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*I take pleasure in submitting for consideration by the governing bodies the proposals for the Programme of Work and Budget 2012-13, taking into account a review of the Medium Term Plan 2010-13.*

*The preparation of this document has taken place just over a year after the approval by the Conference, in November 2009, of the Strategic Framework 2010-19 and Medium Term Plan 2010-13. This was an important milestone under the Immediate Plan of Action for FAO Renewal, where Members provided clear objectives to be achieved through more effective outcomes of the work of the Organization.*

*The international community, and individual countries, continue to face daunting challenges in the areas of FAO's mandate: the morally unacceptable large number of malnourished people in the world, and alarming pressures on the natural resource base on which agriculture, fisheries and forestry depend.*

*These persistent challenges are compounded by the volatility in food prices, which have surged to a new historic peak as I write in February 2011. It is imperative that the most vulnerable countries receive assistance at the necessary level to cope with such external shocks. At the same time, FAO is playing a leading role in developing policy options on how to curb food price volatility and mitigate its negative impacts.*

*But prevailing hunger and malnutrition is only the most compelling of the challenges facing Members in the areas of FAO's mandate. The Strategic Framework presents a full analysis of the major trends, challenges and other factors with bearing on FAO over the medium to longer term, and which influenced the formulation of the Strategic and Functional Objectives and underlying Organizational Results in the Medium Term Plan.*

*The review of the Medium Term Plan has encompassed a refinement of the results that the Organization aims to achieve with all the resources put at its disposal. The review has also involved making choices about the work that the Organization proposes to emphasize and de-emphasize in the coming biennium.*

*Indeed, improved priority setting is a major initiative under FAO Renewal and the proposals for the next biennium have been informed by guidance on priority areas of work provided by the newly empowered Regional Conferences, as well as the Technical Committees of Council.*

*Being well aware of the difficult economic and financial circumstances faced by many Members and the consequent need for fiscal discipline in public expenditure, every effort has been undertaken to make the most effective and efficient use of the Organization's resources. The Independent External Evaluation credited the Organization and Members with recognizing the importance of attaining efficiency savings in order to maximize scarce budgetary resources for technical work, and I have personally insisted that further savings be found in FAO administrative expenditures. For the 2012-13 biennium, nearly USD 16 million in efficiency savings have been identified, on top of the USD 10.6 million in savings to be generated by measures arising from implementation of the IPA in 2012-13.*

*The efficiency and effectiveness of the Organization's work is being further enhanced by implementation of the Immediate Plan of Action, which is fully integrated in the Programme of Work and Budget. Benefits will continue to be realized in managing for results, including multidisciplinary teamwork and the optimizing of human resources, which are the cornerstone of FAO as a knowledge organization. At the same time, the governing*

bodies will be considering a vision for the structure and functioning of the Decentralized Offices network, as well as a strategy and an integrated set of actions to achieve this vision, which is critical to strengthening this network for further improving results on the ground.

This Programme of Work and Budget sets out the resources that will need to be applied – from both assessed and voluntary contributions – over the second two years of the Medium Term Plan. The Organization is positioned to effectively deliver better value for the resources provided by Members, in terms of concrete and measurable results at country and global level. The proposal foresees a unified programme of work, with total resources for the next biennium of about USD 2.4 billion, from both assessed and voluntary contributions. With respect to the share of this total coming from assessment on Members, the proposed budget increment is limited to the estimated cost increases needed to preserve purchasing power and to restore the one-time

savings from the previous biennium, less a small reduction in the requirements for implementing the IPA.

FAO's Members and its management and staff have collectively taken concerted action to place the Organization on a sound foundation now and in the future. I trust that the decisions of the membership on Medium Term Plan and Programme of Work proposals will build on this foundation to achieve our collective vision of a world free from hunger and malnutrition.



**Jacques Diouf**  
Director-General

## EXECUTIVE SUMMARY

The Conference in 2009 endorsed the Medium Term Plan 2010-13 including its frameworks for Organizational Results. In line with the new programming and budgeting system, this document presents the Director-General's reviewed Medium Term Plan (MTP) covering the same period and the proposed Programme of Work and Budget (PWB) to guide the work of the Organization during 2012-13.

The MTP/PWB provides for clear means-to-ends linkages between the measurable outcomes that FAO commits to achieve with the resources at its disposal, which contribute to defined impacts in member countries. It also provides for improving the efficiency and effectiveness of the Organization by continuing to implement the Immediate Plan of Action for FAO Renewal (IPA). Two main features of this proposal are the expression of priorities through areas of programmatic emphasis and de-emphasis, taking into account the recommendations of the governing bodies, and the Director-General's concerted and continuing drive for efficiency gains.

### *Challenges and opportunities facing food and agriculture*

The main challenges facing global food, agriculture and rural development are the large and increasing number of undernourished people in the world, the prospect of rising inequality and problems of access to food by the most vulnerable populations, and the increased scarcity of natural resources worsened by climate change. The situation is further compounded by the volatility in world food prices.

Underlying trends and opportunities for FAO are: increasing demands for food with a need to double production by 2050; opportunities offered by scientific and technological innovations; massive shifts in food production and consumption patterns; a continued predominance of hungry people in rural areas; increased international trade and the growing mobility of capital and labour; continuing incidence of food and agriculture emergencies; evolving global governance mechanisms to address issues common to all countries; and changing financial and institutional environments, with a renewed momentum to re-invest in agriculture.

### *FAO's results-based plan for addressing challenges*

The eleven Strategic Objectives, two Functional Objectives and eight Core Functions define both the impacts needed to help meet these challenges in member countries and FAO's means of action for providing assistance. The MTP sets out 56 Organizational Results (outcomes) that FAO commits to deliver, through effective and efficient services and collaboration with Members and partners, focusing on: intensified crop and increased livestock production; sustainable management and use of fisheries, forests and natural resources; improved quality and safety of food; enabling environments for markets, food security, better nutrition, and gender equity; preparedness for and response to emergencies; and increased investment in agriculture and rural development.

The Organizational Results are implemented under the responsibility of senior managers leading corporate multi-disciplinary strategy teams. The Results Frameworks presented in the MTP/PWB include 175 measurable indicators of achievement with two- and four-year targets to facilitate monitoring and reporting, which have been reviewed and updated. FAO's interventions are focused through the application of its core functions – the Organization's "tool kit" based on comparative strengths and taking account of partnerships – relating to information, knowledge, statistics and perspective studies; international instruments, norms and standards; policy and strategy options and advice; technical support to promote technology transfer and build capacity; and advocacy and communication.

### *Impact of reforms in the Organization*

The IPA is an extremely ambitious plan for far-reaching change throughout the Organization. Significant progress has been made since 2009 and the MTP/PWB presents the financial plans for IPA implementation in 2012-13. Work will focus on managing for results, human resources, culture

change, functioning as one Organization, enhanced administrative and management systems, and effective governance and oversight.

A new headquarters structure was put in place in 2010 and will be refined through minor adjustments through 2012, including the use of flexible team structures. The substantial progress on effective decentralized offices network will continue through completion of a benchmarking system, competency framework and training. Decentralization activities will also be guided by ongoing discussions by the membership on the vision for the structure and functioning of Decentralized Offices.

Incremental savings and efficiency gains of USD 26.5 million have been factored into the PWB through a concerted effort to lower the cost of inputs and improve cost recovery for project services, as well as seeking productivity gains.

#### *Resource requirements*

The PWB presents an integrated view of total resource requirements to carry out the Programme of Work directly linked to the two-year targets under the results frameworks, under the *Net Budgetary Appropriation* and *Voluntary Contributions*.

The *Net Budgetary Appropriation* reflects the requirements proposed to be funded from assessed contributions by Members. Starting from the nominal level of the 2010-11 budget (USD 1,000.5 million), one-time savings of USD 10.4 million have been reinstated and allocated to high priority areas, including the Committee on World Food Security, the secretariat of the International Plant Protection Convention, the FAO water platform, work on nutrition, legal advisory services, awareness raising on food security, Russian language coverage, and increased ICT connectivity for the decentralized offices network. Taking account of the lower level of requested IPA funding within the net appropriation (USD 37.8 million versus USD 39.6 million in 2010-11), and the estimated cost increases (USD 48.0 million) to maintain purchasing power, the total proposed *Net Budgetary Appropriation* to be funded from assessed contributions is USD 1,057.1 million, a 5.7 percent increase over 2010-11.

The *Voluntary Contributions* reflect the estimates for extra-budgetary resources totalling USD 1,392.9 million through established funding mechanisms that fall into two main categories:

- *Core Voluntary Contributions* are the estimated extra-budgetary resource requirements of USD 237.2 million planned in the programme of work under the results frameworks and managed closely with the net appropriation.
- *Other Extra-budgetary Voluntary Contributions* are estimates of voluntary contributions totalling USD 1,156 million for programmes and projects contributing to the results frameworks through support to the field programme, technical assistance to countries, and emergency assistance.

Approval of the proposed Net Budgetary Appropriation and realisation of the estimated voluntary contributions would put USD 2,450 million at the disposal of the Organization for implementation of the 2012-13 Programme of Work, including the Immediate Plan of Action.



*Guide to the Medium Term Plan (Reviewed) /  
Programme of Work and Budget Document*

The Medium Term Plan has a four-year time horizon setting out the main elements of the results-based frameworks:

- Strategic Objectives (SOs) for achievement with support from FAO by countries and the international community, as per the Strategic Framework;
- Organizational Results (ORs) framework (outcomes) contributing to the achievement of Strategic Objectives by countries and the international community;
- Impact Focus Areas (IFAs) that provide a communication and advocacy tool to orient resource mobilization and partnering efforts towards priority groups of Results;
- Core Functions of FAO; and
- Functional Objectives (FOs) that ensure organizational processes and administration work towards improvements in a Results-based Framework.

The PWB covers a single biennium within the Medium Term Plan (in this case the second half of the 2010-13 plan), with the budget divided between an administrative budget and a programme budget from assessed contributions and estimated extra-budgetary resources presented in the results-based framework and providing:

- Organizational Results framework (outcomes) as per the Medium Term Plan, including the organizational responsibility for each result;
- quantification of costs for all Organizational Results and all obligations;
- implementation of reforms in the Organization under the Immediate Plan of Action for FAO Renewal;
- calculation of cost increases and planned efficiency savings;
- provision for long-term liabilities, under-funded obligations and reserve funds;
- draft Appropriations Resolution for approval by the Conference; and
- list of scheduled sessions (on FAO's Internet web site at [www.fao.org/pwb](http://www.fao.org/pwb)).

The Director-General's  
**Medium Term Plan 2010-13 (*Reviewed*)**

## Medium Term Plan 2010-13 (*Reviewed*)

### A. OVERALL CONTEXT

#### *Trends and challenges*

1. The first version of the Medium Term Plan 2010-13 (in document C 2009/15) highlighted the main trends likely to affect or shape food and agriculture development at the global, national and local levels in the coming decades. Their impact was expected to be felt most strongly in the developing countries, especially as their ability to cope with serious external or internal challenges is more limited. These main trends remain valid at the time of preparing this reviewed Medium Term Plan (covering the same four year period).

2. However, the volatility in food prices remains a worrisome trend. World food prices surged to a new historic peak in February 2011 and these high prices are expected to persist in the near future. High food prices are of major concern especially for low-income, food-deficit countries that may face problems in financing food imports and for poor households, which spend a large share of their income on food. The need to build up greater capacities in the most vulnerable countries to deal with external shocks has in effect been a recurring theme in the Regional Conferences and to some extent in the sessions of the Technical Committees held in 2010.

3. Bearing these more recent developments in mind, the main challenges facing global food, agriculture and rural development remain:

- a) continued high population growth in developing countries, particularly in LDCs despite slower population growth for the world as a whole; according to current projections (UN 2008) the world's population is likely to rise to nearly 9.2 billion by 2050. The entire increase will take place in developing countries and the share of developed countries and transition economies is projected to shrink;
- b) a global food insecurity situation which continues to represent a serious threat for humanity. At the time of writing, the world counts approximately 925 million people suffering from chronic hunger – that is 13 percent of the world population;
- c) rapidly ageing populations in developed and relatively advanced developing countries and dynamic urbanisation in all developing regions, including a further massive population shift from rural to urban areas. Rural areas are likely to remain the nucleus of world hunger and to contain the majority of the developing world's population at least through 2015. Continued predominance of youth may still distinguish rural areas of sub-Saharan Africa and South Asia, particularly among the poor;
- d) pronounced shifts in food production and consumption patterns, including a growing “double burden” of malnutrition, i.e. the co-existence of undernourishment and overnutrition. Rising urbanisation will continue to have a profound impact on the location of food production and on volumes and composition of national and international trade and food distribution channels. The food sector will become more industrialised to meet both efficiency needs for transport and greater shelf-life. Alongside this transformation, demand for higher food quality and safety is also expected to rise;
- e) increasing demands for food due an increasing and more wealthy population. With a global population of 9.2 billion people by 2050, food production (both crops and livestock, as well as contributions from fisheries and forestry) in the developing countries will have to nearly double over levels attained in 2005-07. For this increase to materialise, new land will have to be brought into cultivation, and competing requirements for land, and their related water resources and biodiversity, will have to be reconciled. More importantly, productivity of existing agricultural resources (land, water, plant and animal genetic resources) will need to rise further through intensification and enhanced resource use efficiency;
- f) increased international trade, as well as growing mobility of capital and labour both across borders and within countries. Growing trade is to be coupled with greater importance of, and

concerns about food safety and biosecurity issues, including transboundary pests and diseases. This rapidly evolving context will require well-articulated trade policies and support measures, with attention to competitiveness, not just in exports but also in terms of domestic and regional markets, and to identifying opportunities from increased demand;

- g) continuing gender and social inequalities in access to productive resources and services, particularly by women and young and indigenous people in rural areas, intensifying their vulnerability to food insecurity and poverty. Special efforts will be needed to offer opportunities to the legions of agricultural workers who still live in poverty, including by improving occupational health and safety, supporting farmer and worker organizations and trade unions, ensuring basic social security, and reducing child labour in post-harvest processing, transport, marketing and agro-industries;
- h) considerable pressures on natural resources such as land, water and biodiversity, which could also fuel potential conflicts. Demands on agriculture will also mount to provide not only food and feed, but also commodities for energy and other purposes. More integrated food-energy systems and sustainable management of natural resources should be put in place;
- i) climate change and consequent increases in the severity and frequency of weather-related impacts on food production, with more frequent and severe occurrence of emergencies and disasters. These changes require additional investments to enhance adaptive capacities. In addition, agriculture will also be required to adjust its production methods to help mitigate the overall impact of climate change. Mitigation efforts will further raise investment requirements, creating an additional burden for developing countries; and
- j) the continuing incidence of food and agricultural emergencies, whether due to natural causes or human-induced, which generally have the most severe consequences on the food security and livelihoods of poor, vulnerable and agriculturally-dependent populations. Emergency preparedness, response and rehabilitation must address the specific needs of agriculture-based populations.

4. Developments with bearing on FAO's action over the medium term and beyond, should provide opportunities to address these challenges, as follows:

- a) the continued evolution of the countries' principal role of providing policy and regulatory frameworks conducive to sustainable development;
- b) the growing number of countries in the middle-income group, and the increased importance of regional and subregional groupings;
- c) the growing mobility of capital and labour both across borders and within countries;
- d) global governance mechanisms to address issues common to all countries, such as food security, biodiversity loss (in particular the erosion of genetic resources for food and agriculture), climate change, deforestation, declining fish stocks, land and water degradation, and disease emergence;
- e) with respect to international trade, continued efforts to improve market access, reduce trade-distorting domestic support, reduce or eliminate export subsidies through the successful conclusion of the WTO Doha Development Round;
- f) the industrialisation of the food sector, with rapid changes in the organisation and structure of agricultural markets and services, including growing importance of the modern retail sector, coordination in value chains, specialised procurement practices, product certification and labelling, and contracting;
- g) a broadening base of governance to give full recognition to the roles and interests of the private sector, NGOs, regional economic organizations, regional development banks and other agencies;
- h) the increased awareness in the general public regarding environmental, health and development dimensions of food production, trade and consumption systems, prompting

governments, civil society and the private sector to act in making food supply chains more environmentally friendly, supportive of human health, and pro-poor;

- i) the opportunities offered by scientific and technological innovations, coupled with the rapid spread of affordable information and communication technologies, supporting global sharing of information and knowledge;
- j) a steady increase in payment for environmental services in developing countries;
- k) a new momentum – after decades of neglect – to re-invest in agriculture;
- l) evolving financial and institutional environments, particularly amongst humanitarian actors (with, for example, increased level of, and more diversified funding related to, emergencies and rehabilitation, coupled with pooled arrangements at the global and country levels); and
- m) the evolving role and performance of the UN system in a context of widespread reforms particularly at country level.

5. Taking account of overall trends and challenges facing food, agriculture and rural development, the results-based approach in the Organization should facilitate opportunities where FAO is best placed to intervene, leveraging its comparative strengths and working in cooperation with its range of partners. The four-year results frameworks have been reviewed and refined over the previous version of the MTP 2010-13, and the proposed programme of work and budget for the 2012-13 biennium provides the basis for achieving these results.

## **B. THE RESULTS-BASED APPROACH IN THE ORGANIZATION**

6. The Immediate Plan of Action for FAO's Renewal (IPA) approved by the 35th (Special) Session of the FAO Conference in November 2008 lays the foundation of an enhanced results-based approach to programme planning, implementation and reporting in the Organization. This is coupled with a revitalised and more inclusive inter-governmental process of review of priorities and programme and budget proposals.

7. The four-year Medium Term Plan applies the principles and major elements of the results-based approach. The major elements, as set forth in the Strategic Framework, comprise:

- **Global Goals** representing the fundamental development impacts, in the areas of FAO's mandate, which the countries aim to achieve;
- **Strategic Objectives** contributing to the achievement of the Global Goals;
- **Functional Objectives** providing the enabling environment for FAO's work;
- **Organizational Results** defining the outcome of FAO's work under each Strategic and Functional Objective; and
- **Core Functions** as the critical means of action to be employed by FAO to achieve results.

8. The eleven Strategic Objectives agreed in the Strategic Framework reflect the assessment of challenges and opportunities facing food, agriculture and rural development. They express the impact, in countries, regions and globally, expected to be achieved over a long-term (ten-year) timeframe by Members based on FAO's value-added interventions. In order to ensure that all aspects of FAO's work are considered within a results-based framework, complementary Functional Objectives assist the Organization to ensure effective impact of technical delivery, with due attention to efficiency and, therefore also firmly contribute to the achievement of Strategic Objectives (*Figure 1*).

9. Under the Strategic Objectives, the more specific Organizational Results represent the outcomes expected to be achieved over a four-year period through the taking-up and use by countries and partners of FAO's products and services. The identification of Organizational Results also applies to Functional Objectives.

10. The eight Core Functions draw on FAO's comparative advantages and are to be applied at all levels: global, regional and national. They are subject to articulated strategies to ensure coherent

approaches, cooperation among organizational units, mutual learning and the pursuit of excellence (MTP *Section D*, PWB *Annex II*).

11. The Organizational Results, as measured by indicators, constitute the backbone of the four-year Medium Term Plan and biennial Programme of Work and Budget, reflecting the substantive priorities upheld by the membership (MTP *Section C* and PWB *Sections I.B, I.C, IV.A and IV.B*).

12. Other tools to inform the development, and contribute to the achievement of the Organizational Results and Strategic Objectives include:

- Country Programming Frameworks which are developed together with the concerned governments to focus FAO's efforts on well-identified national needs;
- structured and consultative development of subregional and regional areas of priority action, including *via* the Regional Conferences and specialised Regional Commissions; and
- at the global level, a limited number of Impact Focus Areas to help mobilise voluntary contributions for priority groups of Organizational Results, providing a communication and advocacy tool, and with an emphasis on capacity building and policy frameworks (*Annex III*).

**Figure 1: Main components of FAO's results framework****FAO's vision**

A world free of hunger and malnutrition where food and agriculture contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.

**The three Global Goals of Members:**

- reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which all people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- elimination of poverty and the driving forward of economic and social progress for all, with increased food production, enhanced rural development and sustainable livelihoods;
- sustainable management and utilisation of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.

**Strategic Objectives**

- A. Sustainable intensification of crop production
- B. Increased sustainable livestock production
- C. Sustainable management and use of fisheries and aquaculture resources
- D. Improved quality and safety of foods at all stages of the food chain
- E. Sustainable management of forests and trees
- F. Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture
- G. Enabling environment for markets to improve livelihoods and rural development
- H. Improved food security and better nutrition
- I. Improved preparedness for, and effective response to, food and agricultural threats and emergencies
- K. Gender equity in access to resources, goods, services and decision-making in the rural areas
- L. Increased and more effective public and private investment in agriculture and rural development

**Functional Objectives**

- X. Effective collaboration with Member States and stakeholders
- Y. Efficient and effective administration

**Core Functions**

- a. Monitoring and assessment of long-term and medium-term trends and perspectives
- b. Assembly and provision of information, knowledge and statistics
- c. Development of international instruments, norms and standards
- d. Policy and strategy options and advice
- e. Technical support to promote technology transfer and build capacity
- f. Advocacy and communication
- g. Inter-disciplinarity and innovation
- h. Partnerships and alliances

## C. REVIEW OF RESULTS FRAMEWORKS FOR 2012-13

### *Guiding Principles for reviewing the results frameworks*

13. The Conference in 2009 endorsed the Medium Term Plan 2010-13 including its frameworks for Organizational Results (“results frameworks”), as contained in document C 2009/15 MTP 2012-13/PWB 2010-11.

14. The reform of the programming, budgeting and results-based monitoring system adopted by the Conference in 2009<sup>1</sup> foresees the review of the Medium Term Plan each biennium, including the frameworks for Organizational Results. This review is to be based on the recommendations of the Regional Conferences and Technical Committees, through the Programme and Finance Committees and Council, on FAO performance contributing to results against performance indicators, and priorities and results planned under the Medium Term Plan.

15. With regard to the MTP 2010-13, the Conference emphasized the need for improvement in prioritization, which the Regional Conferences, Technical Committees, Programme Committee and Council began to address during 2010-11. The five Regional Conferences and five Technical Committees met during 2010 and early 2011, not entirely in the sequence foreseen for implementation of the new programming system<sup>2</sup>. They provided guidance on priorities, and the Council requested the Secretariat to facilitate receiving more structured guidance on priorities in future planning cycles. As 2010 was the first year of implementation of the new results frameworks, there was no basis for measuring performance against indicators.

16. The process of setting priorities as part of the review of the MTP 2010-13 has been recognized as a work in progress, with the process for the 2012-13 biennium as one of transition. While substantial progress has been achieved in reviewing the results frameworks presented in this document, further improvements could be made, as necessary, through adjustments following the Conference, as foreseen under the reformed programming system.

17. The preparation of the MTP 2010-13 (*Reviewed*)/PWB 2012-13 started from the results frameworks approved in the MTP 2010-13. It followed the guiding principles in the reformed programming system and took into account, to the extent possible, the recommendations of the Programme Committee and Council<sup>3</sup> to:

- a) analyze commonalities in the recommendations and guidance received from the Regional Conferences, Technical Committees and other governing bodies (e.g. Council) on priorities with a view to relate these to the Strategic Objectives and Organizational Results;
- b) formulate Regional Results for 2012-13 as a means to reflect country, subregional and regional priorities and their contributions to Organizational Results, ensuring that the formulation of the Regional Results reflects the priorities expressed by the Regional Conferences;
- c) take account of results of evaluations and lessons learned from the first year of implementation of the PWB 2010-11;
- d) improve focus and prioritization of the technical work based on a deeper analysis of the appropriate mix of core functions (i.e. comparative advantages of the Organization) to be applied in achieving the Organizational Results; and
- e) complete and improve the formulation of Organizational Result indicators and baselines.

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<sup>1</sup> CR 10/2009

<sup>2</sup> Regional Conferences should meet in the first trimester and Technical Committees in the second trimester of the first year of the biennium. APRC, NERC, CFS and COFI met outside of this timeframe in 2010 and early 2011.

<sup>3</sup> CL 140/REP paragraph 11, CL 140/8 paragraphs 5-12



### *Role of Strategy Teams*

18. In 2009, senior managers (Assistant Directors-General and Heads of Offices) were assigned responsibility for formulating the results framework for each Strategic and Functional Objective. They formed Organization-wide Strategy Teams for this purpose, with a senior officer designated as team leader. These inter-disciplinary teams are composed of representatives from both headquarters units and regions whose contribution is required in order to achieve the Organizational Results under a Strategic or Functional Objective. The teams, which were reconstituted in early 2010, lead the various phases of the results-based management cycle (planning, implementation, monitoring and reporting) under the new FAO results hierarchy, including the review of the MTP 2010-13 and preparation of the PWB 2012-13.

19. In order to strengthen the regional dimension of the results-based management cycle, Regional Strategy Teams were formed in the second half of 2010. They are intra-regional teams composed of the Regional Management Team (Regional Representative and Subregional Coordinators) and a designated regional representative to each of the Organization-wide Strategy Teams pertinent to the region. For the review of the MTP 2010-13 and preparation of the PWB 2012-13, the Regional Strategy Teams led the formulation of regional results to provide a coherent response to the regional priorities expressed by the Regional Conferences. These teams will play a key role in coordinating implementation, monitoring and reporting of results at regional level.

### *Process for reviewing the Results-based Frameworks*

20. A four-step process was followed in the period from October 2010 to February 2011 to review the MTP 2010-13 and prepare the PWB 2012-13. The process applied the guiding principles for reviewing the results frameworks and aimed to strengthen the role of the Strategy Teams.

Step 1. Regional Strategy Teams formulated regional results contributing to the achievement of Organizational Results, taking account of regional priority areas of action identified by the Regional Conferences.

Step 2. Organization-wide Strategy Teams held consultations among headquarters units, liaison offices and regions, in order to: identify the set of necessary and sufficient contributions for achieving each Organizational Result; identify priorities and areas of emphasis and de-emphasis; refine the results frameworks; assign responsible units and identify areas for interdisciplinary collaboration.

Step 3. Offices (headquarters and decentralized) recorded their contributions and related resource allocations to Organizational Results, as agreed with the Strategy Teams.

Step 4. Organization-wide Strategy Teams undertook final review and sign-off of the composite plan for each Organizational Result.

21. Three of the steps were led by Regional or Organization-wide Strategy Teams, and the step that was led by units was based on the commitments taken in the Strategy Teams. Facilitated sessions were provided to assist the Organization-wide Strategy Teams in the refinement of the results frameworks, in particular in the improvement of the indicators, baselines and targets. In addition, resources for Strategy Team retreats and team-building activities were made available through the Multi-disciplinary Fund.

### *Outcome of the review process and areas for further improvement*

22. The process of reviewing the results frameworks in the MTP 2010-13 and preparing the PWB 2012-13 had four main outcomes.

23. The reviewed results frameworks presented in this document (*Section IV.A and IV.B and Web Annex XIV*) incorporate several improvements compared with the MTP 2010-2013/PWB 2010-11:

- Updated Strategic Objective formulations for issues and challenges, and assumptions and risks, as appropriate to reflect changes in the external environment.
- Improved measurability of Organizational Result indicators, which is a critical pre-condition for ensuring effective results-based monitoring and reporting, through stricter application of

the S.M.A.R.T criteria, completion of the majority of the missing baselines and refinement of indicator targets. The revision of end-2011 (i.e. two-year) targets of achievement took into account lessons learned during implementation in 2010. The revision of end-2013 (i.e. four-year) targets took into account better bottom-up inputs received from regions through the formulation of regional results.

- Refined mix of core functions to be applied to achieve each Organizational Result in view of priorities and lessons learned emanating from the Mid-Term Review 2010, as reflected in modifications to the primary tools and summary tables shown for each Strategic Objective.

24. The formation of Regional Strategy Teams and the regional consultation process that lead to the formulation of regional results and identification of regional contributions to Organizational Result indicator targets represented an important milestone in strengthening the Organization's decentralized planning dimension. While it is recognized that the Regional Strategy Teams will require further strengthening, the introduction of regional results sets the stage for the integration of country offices into the FAO results-based planning framework (as explained further in paragraphs 55 and 56), as well as providing a mechanism for ensuring a stronger, more coherent regional input to the results framework formulations.

25. Areas of programmatic emphasis and de-emphasis are identified under each of the Strategic Objectives, as presented in *Section I.B*. The first experience with the new programming cycle has evidenced the need for further refinements in the timing of governing body meetings, the quality of documentation on priorities, and the structure of guidance provided.

26. Team work was improved, in particular better coordination and enhanced interdisciplinary collaboration. It is intended to build on this experience in undertaking the 2012-13 work planning process to further strengthen the Organization-wide and Regional Strategy Teams.

#### **D. CORE FUNCTIONS**

27. The eight Core Functions represent the critical means of action to be employed by FAO to achieve results, drawing on the Organization's comparative advantages. The medium-term strategic direction regarding each core function, including internal mechanisms to ensure coherent action across sectoral lines and organizational units, are provided in *Annex II*. This section provides an update on progress made and further plans for mainstreaming the application of core functions within the results frameworks.

##### *a. Monitoring and assessment of long-term and medium-term trends and perspectives*

28. FAO commissioned an evaluation of its work on long term perspective studies in late 2009. Four main conclusions emerged: 1) confirming the importance of FAO producing long-term global perspective studies, thereby meeting broad needs of the international community and individual countries to prioritize actions in the light of emerging challenges; 2) past studies have earned the Organization a considerable reputation, while FAO's main comparative advantage in this area lies in its diversified technical expertise; 3) future studies should allow for more scenario analysis (including organizing work around a combination of economic equilibrium models); and 4) the current staffing of the core group in ESA<sup>4</sup> leading work on long-term perspective studies was generally deemed appropriate, while ensuring close collaboration with other technical units in FAO (some restructuring within the group is underway). Ongoing discussions with the various units concerned are to strengthen this coordination (e.g. EST, ESS<sup>5</sup>, several technical divisions in the AG, NR, FO, FI and TC Departments), as well as with a number of outside institutions and organizations.

29. These discussions should specify the steps needed to update the analytical framework that generates projections, the thematic areas in which work needs to be undertaken, and the major publications and reports to be prepared. Key current supportive activities include the building of a baseline scenario to the year 2080 and the publication of a new report in late 2011. It is intended to

<sup>4</sup> Agricultural Development Economics Division (ESA)

<sup>5</sup> Trade and Markets Division (EST); Statistics Division (ESS)

enrich the new 2080 baseline with analyses of specific issues, including the impact of climate change and the expected development of bio-energy markets. An example of outside collaborative work is with the OECD<sup>6</sup> on the preparation of the annual report “*OECD-FAO Agricultural Outlook*”, now in its seventh year, helping to build consensus among Members and the public at large on how current emerging global issues may be expected to impact key markets over the next decade.

*b. Assembly and provision of information, knowledge and statistics*

30. FAO’s knowledge strategy embodies wide feedback from Members and extensive consultations at headquarters and with the decentralized offices. Training in knowledge sharing tools and methods focuses on applying them to support the Organizational Results. In the 2012-13 biennium, this core function will be applied through: the use of, and support to Thematic Knowledge Networks; documenting and sharing of best practices; promoting events such as regional and thematic knowledge Share Fairs; and support to project implementation and corporate culture change. A quality assurance programme for FAO technical information products has been developed to encompass the entire process: conceptualization and planning, content development, production and dissemination, impact assessment and evaluation. In addition, an Information Product planning tool will facilitate a truly corporate approach to work on technical information production and dissemination.

31. The main areas of strategic focus for developing and applying statistical information are: 1) implementation of a Corporate Statistics Work Plan in 2012-13, including the Statistical Data Warehouse, and improved coordination with regional offices and country involvement; 2) support to capacity-building in developing countries for food and agricultural statistics through a more holistic approach; 3) leading the preparation of the Global and Regional Implementation Plans of the Global Strategy to Improve Agriculture Statistics; 4) completion of the re-engineering of FAOSTAT<sup>7</sup>; and 5) implementation of CountrySTAT in more countries.

32. Concerning Information Technology (IT), an organization-wide Strategy will ensure a coherent and integrated approach to planning, prioritizing and evaluating Information Systems, Communications and Technology initiatives in support of FAO’s generation, dissemination and application of information and knowledge, including statistics (*Section II.E*). The strategy will operate under a new and holistic Information Technology and Knowledge Management Governance system for business driven information and knowledge management solutions to provide value to FAO’s stakeholders.

*c. Development of international instruments, norms and standards*

33. FAO initiates or facilitates the development of international instruments, both binding and non-binding, at the request of its Statutory Bodies or at the request of other intergovernmental organizations, in particular the WTO, and more recently, the United Nations General Assembly. FAO also provides wide assistance to countries to put in place national and regional legal and institutional frameworks that are compliant with international instruments. Such work is factored under the pertinent Organizational Results, and coherence in the range of activities related to international legal instruments and strengthening of national legislation is achieved through active dialogue among all concerned technical units, in particular in the context of Strategy Teams, coordinated by the Legal Office.

*d. Policy and strategy options and advice*

34. The core function on policy and strategy options and advice takes account of growing demand for policy assistance by member countries and Regional Economic Integration Organizations (REIOs). It is particularly relevant to Strategic Objectives F, H, I, K and L, but due attention is given to other SOs with less prominent interfaces with policy. Its application covers many facets, i.e.: beyond direct policy advice *per se*, capacity development for policy formulation and implementation, institutional strengthening, country information, policy monitoring, and identification of Members’ priorities for field programme development. The core function builds on successful strategy options which have

<sup>6</sup> Organisation for Economic Co-operation and Development

<sup>7</sup> Corporate Database for Substantive Statistical Data

been identified, based on available evidence and FAO's range of assessments of trends in food security, agriculture, fisheries and forestry. Coherent approaches are ensured via an emerging policy network, which will be further consolidated, facilitating interdisciplinary inputs from all relevant FAO units at headquarters and in the decentralized offices. More ad hoc arrangements may be used. For example, in the face of recurrent high food prices, an interdepartmental group has contributed to a widely-used guide for policy and programmatic actions at country level to address high food prices.

*e. Technical support to promote technology transfer and build capacity*

35. Work under this core function is guided by the Corporate Strategy on Capacity Development. In the course of the 2010-11 biennium, representatives of technical departments and strategy teams have increased their participation in the Interdepartmental Working Group (IDWG). Learning material has been developed so that the competencies and knowledge of individual staff in all locations and among FAO's collaborating partners in this field are brought up to high standards, while pursuing awareness-raising within the Organization. A corporate Implementation Plan, including all of the action items from the Management Response to the "Evaluation of FAO's activities on Capacity Development in Africa"<sup>8</sup>, covers:

- internal capacity development governance and coordination (also with other core functions);
- programming of capacity development activities (including interface with the Country Programme Framework and the Field Programme Manual);
- monitoring and reporting mechanisms;
- communication internally via regional share fairs and other events, while work on external communication will be accelerated in 2012;
- institutionalization of capacity development into human resources policies and procedures.

36. Beyond the above mentioned learning materials offered to FAO staff and collaborators, appropriate capacity development skill profiles and responsibilities will be incorporated into post descriptions and terms of reference, the staff competency framework, and into performance evaluation and monitoring of staff and consultants.

*f. Advocacy and communication*

37. In support of the effective application of advocacy and communication in the results frameworks, an operational guide to corporate communication, taking into account many rapid changes in media and communications (including real-time reporting and the influence of social media) has been circulated throughout the Organization. The Office of Corporate Communications and External Relations cooperates with the staff development team to develop a communication planning module, initially targeted at the regional and subregional offices. More generally, units at headquarters and decentralized offices will be encouraged to establish new partnerships with media organizations, networks and outlets, thereby contributing to improved communication on results.

38. Attention is being given to corporate identity, including the standardization of "branding" for all FAO information materials and business communication products. After the launch of "The 1 billionhungry project" in 2010, with a strong link with the World Food Day theme, deepening of the campaign will be pursued, including providing more information on issues related to FAO's mandate and focusing on a global youth audience. Increased emphasis will also be given to using social media as important communication channels for the Organization. Communication with staff will continue to be served by the Web-based magazine "In Touch", which particular attention to the renewal process.

*g. Interdisciplinarity and innovation*

39. Two catalytic funds will continue to foster the application of this core function. In the first instance, USD 3.1 million was budgeted at corporate level in the PWB 2010-11 for the

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<sup>8</sup> PC 104/5 Sup.1

“Multidisciplinary Fund” (MDF) to encourage and facilitate collaborative, cross-cutting work. Through a structured submission and review process, seven Strategy Team proposals were approved by the Deputy Director-General (Knowledge) for funding in 2010-11. Lessons learned will be used to improve the application of the MDF to facilitate collaborative work in 2012-13.

40. In order to encourage proposals improving for efficiency and effectiveness, USD 1.4 million was budgeted as an Innovation Fund to provide seed money to invest in promising ideas, as well as incentives/rewards for units that present convincing and innovative proposals. Through a structured process, 21 proposals were approved for funding by the Deputy Director-General (Operations). An internal advisory group reviews progress in the implementation of activities, and makes recommendations on innovations that demonstrate a potential for scaling up.

#### *h. Partnerships and alliances*

41. The Organization-wide Strategy on Partnerships is the overarching framework for developing and implementing cooperative links, including with the other Rome-based agencies and within the rest of the UN system, with non-governmental and civil society organizations and with the private sector. Information material on guiding principles is being widely disseminated to staff during the first quarter of 2011. The new FAO partnerships Web site will be a valuable information source for FAO staff and external audiences alike. Staff development initiatives on corporate partnerships will be piloted during 2011.

42. An assessment of collaboration among the Rome-based agencies has been carried out in 2010 and will continue during 2011. New areas for collaboration, including building on the experience of the pilot action plans, are being sought. A more specific FAO Strategy on Collaboration within the UN system is expected to be finalized during 2011. There are also more detailed strategies to deal with non-state actors, i.e. civil society and the private sector.

43. The 2012-13 biennium will witness consolidation of tools and mechanisms to support participation of non-state actors, and training and capacity building opportunities to all stakeholders involved at headquarters and decentralized level. Implementation of the civil society strategy will lead to regional work plans inspired by the CFS<sup>9</sup> reform process. It is also intended to issue renewed principles and guidelines for partnering with the private sector, pilot new partnerships with selected business actors in various areas of FAO’s mandate, and implement due diligence process and risk management tools. The Partnerships Committee chaired by the Director-General and its Sub-Committee for Review of Financial and Other Agreements will continue to operate.

### **E. RESOURCE MOBILIZATION**

44. Development of the corporate Resource Mobilization and Management Strategy (RMMS) in 2011 has provided FAO with a more strategic approach to mobilizing and managing its resources. The Strategy provides the framework within which FAO mobilizes resources from its partners, allocates these resources to agreed priorities, and manages and reports on their use. The focus of the RMMS is on forging resource partnerships built on trust and mutual accountability, in order to achieve Members’ Goals. Implementation of the RMMS in the 2012-13 biennium will include support and development of capacity in the decentralized offices.

45. The areas of emphasis in this biennium will be:

- a) **A consolidated, diversified and expanded base of FAO resource partnerships, with a focus on increasing the share of pooled and softly earmarked funding:** resource partner priorities will be identified and pursued to match to the Strategic Framework, while keeping resource partners informed and engaged in support of FAO’s MTP/PWB. FAO will strongly advocate for softly earmarked and pooled voluntary contributions that allow flexibility in planning and resourcing the MTP/PWB and which minimize transaction costs. Furthermore, funding mechanisms that allow broadly earmarked voluntary contributions at all levels in the Organization will be strengthened and

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<sup>9</sup> Committee on World Food Security

innovative tools such as FAO's Multipartner Programme Support Mechanism (FMM) and country programming framework will be promoted.

- b) **Wide awareness of, and support for FAO's priority areas of work and related resource requirements, through a vibrant communications campaign:** a resource mobilization communications campaign is being developed at the corporate level, primarily built around Impact Focus Areas (IFAs) and the Online Fund-raising Mechanism to fight hunger - FAO TeleFood. There will be prominent visibility of all Strategic Objectives, priority groupings of Organizational Results and other showcasing of FAO's work, such as its contribution towards the Millennium Development Goals. Communications will be built at global, regional and country level around Priority Areas for Action, Regional Results and IFAs (as applicable), as well as Country Programming Frameworks and projects and programmes thereof. Resource partners will be further engaged and informed through a new corporate resource mobilization Web site.
- c) **A new Organization-wide culture and capacity for resource mobilization:** roles and responsibilities and guiding principles will be strengthened, aiming to clarify the accountability chain for mobilizing resources and to ensure a better managed and coordinated approach. This will ensure the synergy of resource mobilization efforts between headquarters and decentralized offices. A resource mobilization training curriculum, especially aimed at enhancing capacity for resources mobilization at decentralized offices will be piloted, with reference materials, tools and improved means for information-sharing prepared and made widely available.
- d) **Resource planning and use effectively managed and reported to governing bodies:** operational and management rules and procedures, with improved tools, will be revised and put in place to lower transaction costs for FAO and partners. Effective monitoring and reporting that demonstrates results will be strengthened and integrated with the corporate mid-term and biennial assessment processes, alongside a policy setting, review and oversight mechanism for voluntary contributions. Application of the policy of full cost-recovery for activities funded by voluntary contributions, including cost efficiency measures, will be strengthened.



The Director-General's  
**Programme of Work and Budget 2012-13**



## I. Main Features of the Programme of Work and Budget

### A. INTEGRATED PRESENTATION OF RESOURCES

#### Introduction

46. The resources in the PWB 2012-13 are presented in a similar manner to those of the PWB 2010-11. As mandated by Conference in the reform of programming and budgeting under the Immediate Plan of Action for FAO Renewal, the PWB proposes a biennial Programme of Work funded from the assessed budget and an estimate of extrabudgetary voluntary funding. The Programme of Work is based on the requirements to achieve the two-year targets under the results frameworks presented in the Medium Term Plan for the Strategic Objectives and Functional Objectives, along with associated requirements for the Technical Cooperation Programme, Contingencies, and Capital and Security Expenditure.

47. Thus the PWB presents an integrated view of total resource requirements to carry out the Programme of Work directly linked to the MTP, with two distinct sources of funding that follow different constitutional mandates, planning cycles and procedures.

48. One source of funding is the assessed contributions by Members (based on the agreed scale of contributions) financing the *Net Appropriation* (adjusted for estimated miscellaneous income) voted by the Conference in the *Budgetary Appropriations Resolution*. The other main source stems from extrabudgetary contributions provided by Members and other partners on a voluntary basis through direct support to the Organization, or through technical and emergency (including rehabilitation) assistance to governments for clearly defined purposes linked to the MTP.

49. As highlighted in the Immediate Plan of Action<sup>10</sup>, in order to improve prioritisation, effectiveness and oversight of FAO's work, assessed contributions and extrabudgetary voluntary resources are handled as a unified work programme. Through the results-based approach, these resources are subject to the same planning and oversight arrangements, with encouragement to donors to reduce earmarking and increase pool funding of voluntary contributions. The Council will recommend the results frameworks and the level of assessed budget and provide an estimate of extrabudgetary funding to the Conference. The Conference will vote the *Net Appropriation* to be financed by assessed contributions, and in addition should encourage Members to provide the estimated extrabudgetary voluntary contributions to facilitate implementation of the unified programme of work under the results frameworks.

#### Overview of resource presentations

50. The presentation of planned resources in the PWB 2012-13 builds on the approach agreed in the IPA and presented in the PWB 2010-11. Two new elements have been introduced in the presentation which are explained further below, namely resource comparison tables and a distribution of FAOR resources across the Strategic Objectives.

#### *Resource Comparisons*

51. The MTP 2010-13/PWB 2010-11 was the first document in the new results-based planning framework and budgetary chapter structure, and as such resource comparisons with previous biennia were not fully available. As the PWB 2012-13 is the second biennium of the MTP 2010-13, resource comparisons between the two biennia have now been included in many of the document tables.

52. To facilitate understanding of the 2010-11 resource data by Strategic Objective, a summary table is provided below which shows the evolution from the approved budget in the Conference Resolution on Budgetary Appropriations (CR 3/2009) to the 2010-11 net appropriation figures shown in the tables in the current document.

53. It is recalled that the Conference Resolution included an amount of USD 22.8 million for unidentified efficiency gains and one-time savings. The Conference requested that the Director-

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<sup>10</sup> C 2008/4 para. 33

General report to the Finance Committee ongoing adjustments to the Programme of Work for unidentified further efficiency gains and one-time savings which were not reflected in the chapter structure at that time. The Finance Committee reviewed the actions being taken by the Secretariat at both its April and October 2010 Sessions. At its October Session, the Committee endorsed the forecasted chapter distributions of the 2010-11 budgetary appropriation of USD 1,000.5 million arising from initiatives and measures to achieve USD 22.8 million in further efficiency gains and one-time savings, as well as adjustments arising from preparation of biennial work plans.

54. The 2010-11 net appropriation figures presented in the tables in this document include the adjustments for efficiency gains and one-time savings that were reviewed and endorsed by the Finance Committee. They also include a technical adjustment for the transition from standard rates for staff costs in all decentralized offices from duty station-based rates to regional standard rates on a no-gain no-loss basis, as reported to the Finance Committee at its October 2010 session. This adjustment was done to facilitate actual staff cost monitoring at the regional level and will continue to be the methodology used in 2012-13. Taking account of these adjustments, the last column in *Table 1* serves as the starting point for the various tables in this document.

**Table 1: PWB 2010-11 (in USD 000)**

Strategic Objective	2010-11 Budgetary Appropriation (CR 3/2009)	Efficiency gains, one-time savings and technical adjustments	2010-11 Net Appropriation (after adjustments)
A - Sustainable intensification of crop production	50,370	(1,189)	49,181
B - Increased sustainable livestock production	32,566	(929)	31,637
C - Sustainable management and use of fisheries and aquaculture resources	57,090	(1,464)	55,626
D - Improved quality and safety of food at all stages of the food chain	25,337	(892)	24,445
E - Sustainable management of forests and trees	43,569	(1,515)	42,054
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	54,645	(1,453)	53,192
G - Enabling environment for markets to improve livelihoods and rural development	41,612	(734)	40,878
H - Improved food security and better nutrition	60,509	(2,055)	58,454
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,848	(537)	7,311
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	10,284	(446)	9,838
L - Increased and more effective public and private investment in agriculture and rural development	38,643	(2,072)	36,571
X - Effective collaboration with member states and stakeholders	225,457	(4,776)	220,681
Y - Efficient and effective administration	122,914	(4,331)	118,583
FAOR Programme	88,204	90	88,294
Technical Cooperation Programme	111,694	0	111,694
Contingencies	600	0	600
Capital Expenditure	27,118	(315)	26,803
Security Expenditure	24,866	(180)	24,686
Efficiency Gains/One-time Savings	(22,800)	22,800	0
<b>Total</b>	<b>1,000,526</b>	<b>0</b>	<b>1,000,526</b>

#### *Distribution of FAOR resources*

55. In the PWB 2010-11, the FAOR programme was presented as a separate chapter in the Appropriations Resolution for budgetary purposes. It was foreseen that FAOR resources would be planned in future biennia directly against the Strategic and Functional Objectives, integrating the work of the country offices more fully into the new results-based framework. It was expected that this integration would begin in 2012-13 and could take more than one biennium to complete.

56. In the PWB 2012-13, a first step towards the integration has taken place with the FAOR resources fully reflected against the eleven Strategic Objectives. The FAOR net appropriation

resources have been apportioned to Organizational Results based on the distribution in each region of Regional Results. This apportionment was done pending full integration of country programming frameworks and country office work planning into the new results-based framework. A country office work planning pilot is underway in 2010-11 and it is foreseen that the rollout to all country offices will be substantially completed during the 2012-13 biennium. In this manner, the country offices will begin planning and recording their resources against relevant Organizational Results through results-based work plans, thereby progressively replacing the current allocation mechanism. This may result in some adjustment to resource allocations among chapters during implementation. Extrabudgetary resources in projects operated by the FAORs are shown under the relevant substantive Organizational Results.

#### **Overview of resources planned and sources of funding**

57. *Table 2* provides a summary of 2012-13 resource requirements by Strategic Objective and source of funding, net appropriation and extra-budgetary contributions, and a comparison with 2010-11.

**Table 2: 2012-13 Budget proposal by Strategic/Functional Objective (in USD 000 at 2010-11 rates)**

Strategic/Functional Objective	PWB 2010-11			PWB 2012-13		
	Net Appropriation	Extrabudgetary	Total	Net Appropriation	Extrabudgetary	Total
A - Sustainable intensification of crop production	49,181	192,089	241,270	58,450	262,504	320,954
B - Increased sustainable livestock production	31,637	154,991	186,629	37,639	131,214	168,853
C - Sustainable management and use of fisheries and aquaculture resources	55,626	87,685	143,311	66,509	86,092	152,601
D - Improved quality and safety of food at all stages of the food chain	24,445	18,163	42,608	30,941	17,576	48,517
E - Sustainable management of forests and trees	42,054	78,084	120,138	50,087	57,254	107,342
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	53,192	84,837	138,030	68,286	112,004	180,290
G - Enabling environment for markets to improve livelihoods and rural development	40,878	51,582	92,460	45,269	34,712	79,981
H - Improved food security and better nutrition	58,454	89,887	148,340	87,181	116,047	203,228
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,311	372,217	379,527	9,021	401,675	410,696
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,838	12,703	22,540	15,446	9,972	25,418
L - Increased and more effective public and private investment in agriculture and rural development	36,571	51,771	88,342	40,155	81,896	122,051
X - Effective collaboration with member states and stakeholders	220,681	18,305	238,986	229,136	33,687	262,822
Y - Efficient and effective administration	118,583	18,553	137,136	107,993	47,128	155,120
FAOR Programme	88,294	14,199	102,493	0	0	0
Technical Cooperation Programme	111,694	0	111,694	111,694	0	111,694
Contingencies	600	0	600	600	0	600
Capital Expenditure	26,803	0	26,803	26,046	0	26,046
Security Expenditure	24,686	789	25,475	24,686	1,139	25,825
<b>Total</b>	<b>1,000,526</b>	<b>1,245,856</b>	<b>2,246,382</b>	<b>1,009,138</b>	<b>1,392,898</b>	<b>2,402,035</b>

58. The net appropriation reflects the requirements, before cost increases, proposed to be funded from assessed contributions by Members, starting from the nominal level of the 2010-11 budget (USD 1,000.5 million), reinstating and allocating the one-time savings of USD 10.4 million to high-priority areas, and taking account of the lower level of requested IPA funding (USD 37.8 million versus USD 39.6 million in 2010-11)<sup>11</sup>. The net appropriation of USD 1,009.1 million (before cost increases) represents 42% of overall resource requirements. The purchasing power of the assessed contributions would be preserved by updating unit costs through the estimation of cost increases (USD 48.0 million, see *Section III.A*), resulting in a net appropriation of USD 1,057.1 million with cost increases.

59. The extrabudgetary resources reflect the estimates for voluntary contributions, comprising 58% (USD 1,392.9 million) of overall resource requirements. Voluntary contributions include a variety of established funding mechanisms that fall into two main categories, as shown in *Annexes IV* and *IX* and elaborated below.

60. Core voluntary contributions are the estimated extrabudgetary resource requirements planned in the programme of work under the results frameworks and managed closely with the net appropriation. They represent 10% (USD 237.2 million) of the overall resource requirements (and 17% of all voluntary contributions) and include:

- Trust Fund projects that support core activities at global and regional levels (categorised in PWBs prior to 2010-11 as “Direct Support to the Regular Programme”); and
- non-project contributions from partners (e.g. World Bank Cooperative Programme, WHO contribution to Codex).

61. Other extrabudgetary contributions are estimates of voluntary contributions (USD 1,156 million) for programmes and projects contributing to the results frameworks in the Medium Term Plan and providing support to the field programme, technical assistance to countries (i.e. technical cooperation) and emergency and rehabilitation assistance.

62. *Table 3* provides an overview of the 2012-13 budget proposal by Strategic/Functional Objective with a more detailed breakdown of the elements within the net appropriation and the extrabudgetary resources.

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<sup>11</sup> The IPA proposal is further outlined in *Section II.A*.

**Table 3: Budget proposal by Strategic/Functional Objective and funding sources (in USD 000 at 2010-11 rates)**

SO/FO	Net Appropriation				Extrabudgetary			Total
	Net App (excl. IPA and FAOR)	IPA	FAOR	Total	Core Voluntary	Other EB	Total	
A	49,971	(555)	9,034	58,450	2,573	259,931	262,504	320,954
B	30,249	(374)	7,764	37,639	8,142	123,073	131,214	168,853
C	55,016	(631)	12,124	66,509	39,611	46,481	86,092	152,601
D	24,205	(345)	7,082	30,941	6,429	11,147	17,576	48,517
E	41,112	(557)	9,532	50,087	28,945	28,309	57,254	107,342
F	55,956	(843)	13,174	68,286	35,387	76,617	112,004	180,290
G	37,392	(468)	8,345	45,269	5,465	29,247	34,712	79,981
H	65,394	(749)	22,536	87,181	20,411	95,635	116,047	203,228
I	9,021	(86)	86	9,021	5,159	396,515	401,675	410,696
K	10,367	(106)	5,185	15,446	192	9,780	9,972	25,418
L	38,739	(356)	1,772	40,155	51,560	30,336	81,896	122,051
X	211,701	17,434	0	229,136	14,016	19,670	33,687	262,822
Y	86,676	21,317	0	107,993	18,153	28,975	47,128	155,120
TCP	111,694	0	0	111,694	0	0	0	111,694
Cont	600	0	0	600	0	0	0	600
CapEx	21,886	4,160	0	26,046	0	0	0	26,046
Security	24,686	0	0	24,686	1,139	0	1,139	25,825
<b>Total</b>	<b>874,663</b>	<b>37,841</b>	<b>96,634</b>	<b>1,009,138</b>	<b>237,181</b>	<b>1,155,717</b>	<b>1,392,898</b>	<b>2,402,035</b>

63. Other resource views can be found in the Annexes, where *Annexes I* and *VII* provide a breakdown of resources by region, and *Annex V* provides a breakdown of resources to the Organizational Result level.

*Voluntary contributions – level of assurance*

64. While the level of assessed contributions will be known at the beginning of the biennium based on the Conference-adopted Budgetary Appropriations Resolution, the amount, timing and earmarking of extrabudgetary voluntary resources will be subject to some risk. In the planning process for 2012-13, this risk has been mitigated by deriving estimates of extrabudgetary resources based on status of extrabudgetary projects, with two levels of assurance:

Higher level of assurance: a) currently operational projects that have budgeted resources in 2012-13; and b) project proposals in the pipeline that are under negotiation and are likely to be approved, with budgets in 2012-13, being essentially assured funding;

Lower level of assurance: prospects based on project ideas and positive contacts with donors.

65. *Annex IV* demonstrates that this methodology for estimating extrabudgetary resources results in a reasonable level of overall assurance, with differences among the sub-categories of voluntary contributions. It provides the percent of voluntary resources planned against each Strategic and Functional Objective that are in the highly-assured category of operational or pipeline projects. Overall, 23.8% of estimated extrabudgetary voluntary contributions can be classified as highly assured, ranging from 4.0% for emergencies to 30.0% for support to the field programme and technical assistance to 68.7% for core voluntary.

66. On the other hand, estimated prospects of voluntary contributions (excluding emergencies) account for some 57%, with low assurance of funding. This risk is expected to be mitigated to some extent by the resource mobilization and management strategy (*Section E of the MTP*).

67. In terms of the overall level of voluntary contributions, the estimates for 2010-11 are in line with recent trends. Actual delivery of extrabudgetary resources was USD 932 million in 2006-07 (against PWB plan of USD 859 million) and USD 1.2 billion million in 2008-09 (against PWB plan of USD 916 million). In the PWB 2010-2011, USD 1.3 billion was planned, while estimated delivery is forecast at around USD 1.6 billion. In the PWB 2012-13, USD 1.4 billion is planned, somewhat less than forecast delivery for the current biennium.

## **B. PRIORITIES FOR THE TECHNICAL WORK OF THE ORGANIZATION**

68. The preparation of the PWB 2012-13 started from the results frameworks approved in the MTP 2010-13. It followed the guiding principles in the reformed programming system and took into account, to the extent possible, the recommendations of the Programme Committee and Council<sup>12</sup> to:

- a) analyze commonalities in the recommendations and guidance received from the Regional Conferences, Technical Committees and other governing bodies (e.g. Council) on priorities with a view to relate these to the Strategic Objectives and Organizational Results;
- b) formulate Regional Results for 2012-13 as a means to reflect country, subregional and regional priorities and their contributions to Organizational Results, ensuring that the formulation of the Regional Results reflects the priorities expressed by the Regional Conferences;
- c) take account of results of evaluations and lessons learned from the first year of implementation of the PWB 2010-11;
- d) improve focus and prioritization of the technical work based on a deeper analysis of the appropriate mix of core functions (i.e. comparative advantages of the Organization) to be applied in achieving the Organizational Results; and
- e) complete and improve the formulation of Organizational Result indicators and baselines.

69. The process used for reviewing the results frameworks, including the role of the Strategy Teams and the outcome, is described in the MTP 2010-13 (*Reviewed*) paragraphs 18 to 21.

70. The proposed biennial Programme of Work is based on the requirements to achieve the two-year targets for each Organizational Result under the reviewed results frameworks presented in *Section IV* for the Strategic Objectives and Functional Objectives. In line with the integrated presentation of resources, the requirements are funded from the net appropriation (assessed budget) and an estimate of extrabudgetary resources.

71. In preparing the PWB 2012-13, the net appropriation targets were adjusted by reallocating the 2010-11 one-time savings of USD 10.4 million to certain high-priority areas of work, taking into account guidance from the governing bodies. These include: Committee on World Food Security, the FAO Water Platform, the Secretariat of the International Plant Protection Convention, work on nutrition, legal advisory services, awareness raising on food security, Russian language coverage, and increased ICT connectivity for the decentralized office network.

72. Departments and offices also reprogrammed resources, including efficiency savings, to address the areas of commonality emerging from the Regional Conferences, Technical Committees and Council (climate change, emergency prevention and preparedness, requirements of small farmers, resilience to external shocks) and other significant issues identified by the governing bodies and Strategy Teams, including emerging issues.

73. This section provides the outcome of the prioritization process for each Strategic and Functional Objective, comprising: a strategic overview; tabular presentation of areas of emphasis and de-emphasis for each Organizational Result; and resources changes between the 2010-11 and 2012-13 for net appropriation and extrabudgetary resources. The Regional Results formulated by the Regional Strategy Teams are provided in *Annex I*.

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<sup>12</sup> CL 140/REP paragraph 11, CL 140/8 paragraphs 5-12



## Strategic Objective A - Sustainable intensification of crop production

### Strategic Objective A (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
A01	18,937	41,900	60,837	(1,172)	1,404	(13,025)	(12,793)	19,169	28,874	48,044
A02	13,665	11,698	25,363	1,639	4,233	8,940	14,812	19,537	20,638	40,175
A03	6,992	9,416	16,407	239	2,682	(6,664)	(3,742)	9,913	2,752	12,665
A04	9,587	129,076	138,663	(471)	715	81,163	81,407	9,831	210,240	220,070
<b>Total</b>	<b>49,181</b>	<b>192,089</b>	<b>241,270</b>	<b>235</b>	<b>9,034</b>	<b>70,415</b>	<b>79,684</b>	<b>58,450</b>	<b>262,504</b>	<b>320,954</b>

### Overview

74. There are no major changes in priorities under SO A. The four ORs correspond directly to priority areas endorsed by COAG while the majority of the priorities identified by Regional Conferences correspond to one or more of these ORs. While the issues and challenges remain broadly valid, refinements were made to some of the indicators under ORs 1, 2 and 4, as well as to the associated primary tools. The four year targets have been amended, in some cases based on more complete information from the decentralised offices.

75. In line with areas of commonality in the guidance from various fora in 2010 (particularly climate change and the requirements of small farmers) some relative shifts in emphasis occurred within and between Strategic Objectives. For instance, resources to support work on reducing post-harvest losses will move from SO-G to SO-A. Increased advocacy for an ecosystem approach to the sustainable intensification of crop production will be facilitated by materials targeted at policy makers on proven policies and smallholder-focussed technologies. Building on FAO's comparative advantages and lessons learned, increased emphasis is placed on systems including crop-livestock systems, which is the most widespread smallholder farming system in developing countries, as well as seed systems, with less support to individual crops.

76. The impact of climate change on crop productivity through rising temperatures and water scarcity, as well as the potential increase in the emergence, movement and damage of transboundary plant pests and diseases, will be met in part by the development of adapted more resilient varieties. This includes sustainable use of plant genetic resources and promotion of such technologies as conservation agriculture. As regards emergency response and preparedness, there is gradual shift away from a highly centralised approach to information management to strengthening regional, subregional and national capacities for surveillance, information sharing and implementation of effective response strategies. National policies and practices better aligned to the sustainable intensification of crop production and diversification, improved livelihoods and capabilities to adapt to climate change should also contribute to greater resilience to external shocks.

77. The three Evaluations related to emergencies, water, and capacity development in Africa have included recommendations relevant to SO-A, respectively: 1) the need for increased collaboration and stronger technical inputs; 2) better account of water requirements in crop policies; and 3) improving documentation and dissemination of successful initiatives, including Farmer Field Schools. These have been reflected in planned activities under the ORs.

78. Overall, the sustainable intensification of crop production promoted under SO-A will continue to depend on close interactions between governments, international institutions, donors, the private sector, farmers organizations and other civil society stakeholders in order to reinforce policy formulation, adequate legislation, institutional support, economic development, and availability of best knowledge. SO-A also builds on a range of global instruments, treaties, conventions and codes (e.g. IPPC, IT-PGRFA, Rotterdam Convention, Pesticide Code of Conduct and EMPRES).

*Areas of emphasis and de-emphasis***A01 - Policies and strategies on sustainable crop production intensification and diversification at national and regional levels**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Advocacy work, by promoting integrated “systems approaches” to production including crop-livestock systems, and reduction of post harvest losses.	Working on individual crops, in particular the upstream research dimensions for which national (NARS) and international (CGIAR) research institutions hold comparative advantage.

**A02 - Risks from outbreaks of transboundary plant pests and diseases are sustainably reduced at national, regional and global levels**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
National capacity development, regional and subregional cooperation in the surveillance, monitoring and control of transboundary plant pests.  Subregional/regional approaches to IPPC standard setting and implementation using a train-the-trainer approach.	Centralised information management (due to shift of information sharing and strategy development to regional, subregional and national levels).  Responses to <i>ad-hoc</i> individual requests, wherever possible.

**A03 - Risks from pesticides are sustainably reduced at national, regional and global levels**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Pursuing opportunities for collaboration between the Rotterdam Convention (RC) Secretariat and the Secretariats of the Basel and Stockholm Conventions on capacity development activities and fund raising.	Technical areas that are more effectively addressed in cooperation with the Secretariats of the Basel and Stockholm Conventions.

**A04 - Effective policies and enabled capacities for a better management of plant genetic resources for food and agriculture (PGRFA) including seed systems at the national and regional levels**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Under the IT-PGRFA, assistance to countries in the sustainable use of plant genetic resources for food security and climate change adaptation.  Ensuring a more appropriate mix of public sector (especially seed certification) and private sector interventions (including upscaling and technical innovation) based on the needs of individual countries.	Design of the multilateral system of access and benefit sharing and funding strategies (largely completed).  Support to exclusive public sector approaches to seed systems.

## Strategic Objective B - Increased Sustainable Livestock Production

### Strategic Objective B (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
B01	10,676	21,348	32,024	(2,551)	2,163	9,561	9,173	10,288	30,909	41,197
B02	12,165	126,947	139,113	(976)	2,325	(27,662)	(26,314)	13,514	99,285	112,799
B03	6,344	6,695	13,039	(457)	2,164	(6,002)	(4,294)	8,052	694	8,745
B04	2,453	0	2,453	2,221	1,112	326	3,658	5,785	326	6,111
<b>Total</b>	<b>31,637</b>	<b>154,991</b>	<b>186,629</b>	<b>(1,762)</b>	<b>7,764</b>	<b>(23,777)</b>	<b>(17,776)</b>	<b>37,639</b>	<b>131,214</b>	<b>168,853</b>

### Overview

79. Work towards increased sustainable livestock production has been tuned to areas of commonality emerging from advice from FAO fora in 2010, by enhancing opportunities for smallholders, particularly the mixed crop-livestock farmers, to increase productivity and have access to rapidly expanding livestock product markets, linked to SO A; preventing transboundary animal and animal-related human diseases (zoonoses) in partnership with OIE and WHO and in association with SO-I; and addressing climate change adaptation and mitigation in animal production and associated land use, linked to SO-F. As advised by COAG, work under SO-B will also seek to: “engage in consultations to establish a global dialogue with a wide range of stakeholders to sharpen the definition of the livestock sector’s objectives and to identify issues that could require intergovernmental action”.

80. Following the recommendations of the second Real-Time Evaluation of the large HPAI (Highly Pathogenic Avian Influenza) prevention and control programme, a follow-up action plan has been prepared to extend activities to other emerging and endemic high impact animal and zoonotic diseases, and to adopt consistently a cross-sectoral, pro-active (One Health) and developmental perspective rather than a reactive emergency management one. After the adoption of the Funding Strategy for the Global Plan of Action on Animal Genetic Resources (GPA) in 2009, the CGRFA is likely to issue (in July 2011) the first call for national and regional proposals for implementing the GPA. The biennial programme will feature prominently under SO B, primarily funded by extra-budgetary resources. Some areas of de-emphasis have been identified, as illustrated below.

### Areas of emphasis and de-emphasis

#### **B01 - The livestock sector effectively and efficiently contributes to food security, poverty alleviation and economic development**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Opportunities for synergies between crop and animal agriculture in integrated crop-livestock systems (pilots) to enhance resource use efficiency in rural development, focusing on alternative feeds and improved animal nutrition, and enabling policies and institutions.	Location-specific technology transfer and minor/niche production systems support (e.g. with species other than cattle, buffalo, small ruminants, pigs and poultry).

**B02 - Reduced animal disease and associated human health risks:**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Follow-up to HPAI programme (multi-disease, cross-sectoral - <i>One Health</i> -oriented, developmental, country-owned); disease detection, prevention and preparedness. Progressive control frameworks for regional priority diseases (e.g. foot and mouth disease (FMD) and peste des petits ruminants (PPR)).	Reactive single target disease control, other than in emergency responses.

**B03 - Better management of natural resources, including animal genetic resources, in livestock production**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
The implementation of the Global Plan of Action on Animal Genetic Resources at national and regional levels; opportunities from grasslands in carbon sequestration.	Minor species (other than cattle, buffalo, small ruminants, pigs and poultry); benchmarking of species and production systems with respect to their environmental impact (only if extra-budgetary resources are made available).

**B04 - Policy and practice for guiding the livestock sector are based on timely and reliable information**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
As requested by COAG, support to further consultations on issues that could require inter-governmental action (global public goods involved in livestock production).  Livestock data in routine collection of agricultural information.	Print publications (reduced to high priority items)

## Strategic Objective C - Sustainable management and use of fisheries and aquaculture resources

### Strategic Objective C (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
C01	18,784	11,828	30,613	814	2,699	(1,172)	2,341	22,297	10,656	32,954
C02	7,700	11,071	18,771	324	6,050	9,110	15,485	14,075	20,181	34,256
C03	7,497	23,651	31,148	(135)	274	3,944	4,083	7,635	27,595	35,231
C04	9,664	11,080	20,744	(383)	2,982	(8,264)	(5,665)	12,262	2,816	15,079
C05	5,347	21,540	26,887	(773)	0	(3,524)	(4,298)	4,574	18,016	22,589
C06	6,634	8,515	15,149	(1,087)	119	(1,688)	(2,656)	5,665	6,828	12,493
<b>Total</b>	<b>55,626</b>	<b>87,685</b>	<b>143,311</b>	<b>(1,241)</b>	<b>12,124</b>	<b>(1,593)</b>	<b>9,290</b>	<b>66,509</b>	<b>86,092</b>	<b>152,601</b>

### Overview

81. Work toward sustainable management and use of fisheries and aquaculture resources continues to be guided by COFI recommendations. As endorsed by COFI at its last session, high priority is assigned to small-scale fisheries and aquaculture in relation to food security and poverty alleviation, and to climate change and its expected impacts, taking into account the results of the Cancun Conference. Areas of emphasis described in document COFI/2011/9 were endorsed by COFI, including: combating IUU fishing; an ecosystem approach to fisheries management (EAF) and the ecosystem approach to aquaculture (EAA); reconciling goals of biodiversity conservation and development of the sectors; value chain and market approach to implement responsible practices in fisheries and aquaculture utilization and trade.

82. COFI also specifically agreed that the following activities should primarily be met by Regular Programme funds: the provision of global statistics on fisheries and aquaculture; the regular analysis and reporting on global aquaculture development; status and trends in marine and inland fisheries and ecosystems; information on apparent fish consumption and regional and global developments in fish markets and trade; the publication of the State of World Fisheries and Aquaculture (SOFIA); provision of data and information to support the Compliance Agreement; normative and technical support to the implementation of the Code of Conduct for Responsible Fisheries; support to Codex Alimentarius related to fish and fishery products; and, interaction with other UN and related agencies. COFI stressed that, as a matter of principle, extra-budgetary funds should be allocated to priority areas as identified in the PWB

83. COFI recommended that FAO continue to keep Members informed about the implications of climate change on fisheries and aquaculture and provide information on possible fishing industry contribution to climate change mitigation (ways to reduce the sectors reliance on, and consumption of fossil fuels). Other areas of relevance highlighted include gender, water, land tenure, biosecurity and emergencies.

*Areas of emphasis and de-emphasis***C01 – Members and other stakeholders have improved formulation of policies and standards that facilitate the implementation of the Code of Conduct for Responsible Fisheries (CCRF) and other international instruments, as well as response to emerging issues**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Adoption of an international instrument on flag State performance.</p> <p>New international instrument (voluntary, in the form of guidelines) on small-scale fisheries drawing on relevant existing instruments, and complementing the Code.</p> <p>Developing a Global Record of Fishing Vessels as one of the useful tools to combat IUU fishing, in a cost-effective manner, taking advantage of existing systems and information technology (IT) platforms, where possible.</p> <p>Capacity development for implementation of existing normative frameworks, and knowledge tools such as statistics, departmental and corporate information systems, and communications.</p>	<p>Work on any other new international instruments.</p> <p>Convening of a global conference on fleet overcapacity, without prejudice to overall work on fishing capacity.</p>

**C02 - Governance of fisheries and aquaculture has improved through the establishment or strengthening of national and regional institutions, including RFBs**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Support to COFI and its two subcommittees (including review in July 2012 of its practices and rules of procedure).</p> <p>Requirements of technical support from FAO RFBs; Secretariat of the Regional Fishery Bodies Secretariats' Network (RSN).</p> <p>Continued support towards the establishment of a new RFB for the Red Sea and Gulf of Aden.</p>	<p>Establishment of new RFBs (except for the Red Sea and Gulf of Aden).</p>

**C03 - More effective management of marine and inland capture fisheries by FAO Members and other stakeholders has contributed to the improved state of fisheries resources, ecosystems and their sustainable use**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Ecosystem Approach to Fisheries Management (EAF) in both marine and inland fisheries, including capacity building and support to countries.</p> <p>Improving information on implications of climate change for fishery resources and livelihoods.</p> <p>Improving management of inland fisheries ecosystems and resources, particularly in developing countries.</p>	<p>Governance and management issues related to deep sea fisheries, particularly in areas beyond national jurisdiction, without prejudice to the work supported primarily by extrabudgetary funding.</p>

**C04 - Members and other stakeholders have benefited from increased production of fish and fish products from sustainable expansion and intensification of aquaculture**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Promoting aquaculture in those regions where production is still low in comparison with global averages, including the Special Programme for Aquaculture Development in Africa (SPADA).</p> <p>Implementation of the provisions of the relevant articles of the CCRF.</p> <p>Promoting an ecosystem-based approach to aquaculture (EAA) and sustainable management practices.</p> <p>Increased productivity (including future prospects) of off-the-coast aquaculture.</p> <p>Biosecurity, responsible biodiversity and efficient feed management.</p>	<p>Regions where aquaculture is well developed (Asia and Western Europe).</p> <p>Aquaculture beyond the national jurisdiction.</p> <p>Publications on remote sensing and GIS studies, organic aquaculture, studies on land and water use in aquaculture, manuals on mud crab culture, bivalves depuration.</p> <p>Drainage, wetlands development and technology and research in irrigation and drainage (while still seeking to satisfy demands for advice).</p>

**C05 - Operation of fisheries, including the use of vessels and fishing gear, is made safer, more technically and socio-economically efficient, environmentally-friendly and compliant with rules at all levels**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Implementation of the recently adopted guidelines on bycatch management and reduction of discards (including capacity building at the national and regional levels).</p> <p>Continuation of the initiative for good management of fish landing sites and cleaner fishing harbours.</p>	

**C06 – Members and other stakeholders have achieved more responsible post harvest utilization and trade of fisheries and aquaculture products, including more predictable and harmonized market access requirements**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Improved fish handling practices and reduction of post-harvest losses.</p> <p>Domestic distribution and marketing systems and the capacity of exporting developing countries to meet international requirements for certification, consumer protection and market access, including through access to market information and data.</p> <p>Improved transparency and predictability of international fish trade regimes.</p>	<p>Work on the substantive aspects of fisheries subsidies.</p>

## Strategic Objective D - Improved quality and safety of food at all stages of the food chain

### Strategic Objective D (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
D01	13,033	5,411	18,444	39	458	(774)	(277)	13,530	4,637	18,167
D02	3,472	1,197	4,669	(1,142)	1,503	333	693	3,833	1,529	5,362
D03	4,183	11,413	15,595	532	2,784	(5,478)	(2,163)	7,498	5,934	13,433
D04	3,757	142	3,899	(15)	2,337	5,333	7,655	6,079	5,476	11,555
<b>Total</b>	<b>24,445</b>	<b>18,163</b>	<b>42,608</b>	<b>(586)</b>	<b>7,082</b>	<b>(587)</b>	<b>5,909</b>	<b>30,941</b>	<b>17,576</b>	<b>48,517</b>

### Overview

84. Food quality and safety dimensions of policies have been consistently underlined at the Regional Conferences, in particular to ensure improved market linkages, confirming the importance of assisting value chain operators to meet market requirements for food quality and safety. No major changes to basic priorities are required, only adjustments based on the results achieved during the previous biennium, including the incorporation of the “One Health” approach in food safety programmes. As indicated below, somewhat lower emphasis is possible on direct food quality and safety training activities, while efforts will be increased to develop tools for use by other development partners and to enhance capacities of concerned national and regional institutions to ensure the sustainability of their training programmes.

85. While the major relevance of food safety to food security is universally acknowledged, there will be more focus on food security aspects in the food quality and safety programmes of FAO. An example of this is the increased attention given to integrated approaches to mycotoxin prevention and control. Responding to one of the identified areas of commonality, due attention is placed to target technical support particularly at the level of small farmers and other value chain operators to meet the food safety and quality requirements implied by mandatory and voluntary standards, thus facilitating their integration into markets.

### Areas of emphasis and de-emphasis

#### **D01 - New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Guidance and methodologies for the elaboration of international scientific advice on microbiological hazards and its application to risk management measures at national level.</p> <p>The newly established Joint FAO/WHO Expert Meetings on Nutrition (JEMNU).</p>	<p>Food safety assessment of specific pathogen/ food combinations (only on requests prioritised by Codex or countries themselves).</p> <p>Areas where standard-setting work was completed: milk and milk products, natural mineral waters, antimicrobial resistance (shifting attention to follow-up).</p>



**D02 - Institutional, policy and legal frameworks for food safety/quality management that support an integrated food chain approach**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Improved use of available data and other information in food safety/quality policies and strategies.	Biodiversity as it affects nutrition within SO-D (to be taken into account holistically under SO-F).

**D03 - National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Assessments of weaknesses/gaps in national food control systems.	Given the planned completion in 2011 of guidance and tools on food import inspection and sampling plan design, fewer resources will be required in these areas.

**D04 - Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Guidance on enhancing quality and safety through using cold chain infrastructure.	Appraisal of national requirements and priorities to support private sector institutions (lower requests anticipated).

**Strategic Objective E - Sustainable management of forests and trees****Strategic Objective E (in USD 000 at 2010-11 rates)**

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
E01	9,525	28,052	37,576	(585)	0	(18,385)	(18,969)	8,940	9,667	18,607
E02	5,589	1,282	6,871	358	4,235	752	5,345	10,183	2,034	12,217
E03	6,622	16,507	23,128	(1,279)	947	(5,646)	(5,979)	6,289	10,860	17,149
E04	5,770	6,364	12,134	62	2,641	7,411	10,114	8,473	13,775	22,248
E05	7,221	17,932	25,152	193	86	(8,020)	(7,740)	7,500	9,912	17,412
E06	7,327	7,948	15,275	(248)	1,623	3,058	4,433	8,702	11,006	19,708
<b>Total</b>	<b>42,054</b>	<b>78,084</b>	<b>120,138</b>	<b>(1,499)</b>	<b>9,532</b>	<b>(20,830)</b>	<b>(12,796)</b>	<b>50,087</b>	<b>57,254</b>	<b>107,342</b>

*Overview*

86. Work on sustainable management of forests and trees is closely aligned to the recommendations of the 20th Session of COFO and the six associated regional forestry commissions. A major priority is to help countries in relation to climate change mitigation and adaptation. Specifically, strengthening of country capacities will be sought in monitoring, assessment, reporting and verification of national forests, trees outside of forests (farmlands, other wooded lands and urban settings) and rangelands in arid zones, with due attention to biodiversity and carbon content. FAO will respond to country demands to strengthen policy and institutional environments to combat deforestation and forest degradation (often the results of agricultural expansion and illegal logging).

Another mainstay of SO E is technical assistance and capacity development in key areas underpinning sustainable forest management: e.g. pest control, fire management, reforestation and biodiversity conservation. Key partners are the UNFCCC, UN-REDD, the World Bank, the Global Environmental Facility, UNCCD and CBD and numerous regional institutions.

87. Achievements under SO E provide valuable support to ecosystem resilience to external shocks or threats: e.g. linked to typhoons and hurricanes, forest fires, unauthorized forest conversion, illegal logging. Another thrust in 2012-13 is on strengthening forest tenure and further work is foreseen on forest law enforcement, governance and trade (to combat illegal logging). Key partners in this are the World Bank, the International Tropical Timber Organization, the European Forest Institute and numerous regional institutions.

88. In view of weak or fragile public sector financing for the public good components of forests (biodiversity conservation, carbon storage and water quality), COFO and the Regional Forestry Commissions have underscored the need to put the financing of these public goods on a more sustainable basis. Work under SO E includes the practical application of innovative financing in consultation with numerous external partners such as the UNFF, World Bank and the GEF. Finally, to give a boost to poverty reduction and enhanced economic opportunities, FAO should provide technical and managerial know-how in reforestation and afforestation of degraded lands, planted forests, wood fuels management, sustainable utilization of non-wood forest products and services, as well as small enterprise development, with linkages to Strategic Objectives F (water, bioenergy), G (value chain development), H (nutrition), and K (gender equity in access).

*Areas of emphasis and de-emphasis*

**E01 – policy and practice affecting forests and forestry be based on timely and reliable information**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>COFO request for the next Global Forest Resources Assessment (FRA) to give priority to improving information on <i>rates of deforestation and forest degradation, forest carbon stocks, trees outside forests and the roles of forests in the protection of soil and water resources and in the provision of livelihoods</i>. While giving due attention to finding a balance between data quality and expanding the already extensive set of indicators, preparatory work to be undertaken in 2012-13 to meet the 2015 delivery date.</p> <p>Streamlining and harmonized reporting in forestry in cooperation with other international partners (CBD, UNFCCC, and UNCCD).</p> <p>Support to national forest monitoring systems in taking into consideration rangelands in national studies (more integrated assessments, including environmental and social services of forests and rangelands).</p>	<p>International Year of Forest activities (main phase concluded).</p> <p>FRA remote sensing study (in terms of methodological development and country capacity building at the global scale).</p> <p>Capacity building for forest-related reporting in 2012 and first half of 2013 and limited input required from regional offices to the FRA process until second half of 2013.</p>

**E02 - Policy and practice affecting forests and forestry are reinforced by international cooperation and debate.**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Within the broader context of the Non-Legally Binding Agreement on all types of forests under the auspices of the United Nations Forum on Forests, work with CPF partners to increase financing for sustainable forest management.</p> <p>Capacity building in developing countries to increase effectiveness of forest-related financing and maximizing use of emerging financing opportunities such as REDD.</p> <p>Seeking greater synergies, coherence and effectiveness in a context of multiple international grant and funding sources supporting selected forest services (climate, biodiversity, etc.).</p> <p>Communication and outreach activities on forestry in urbanized societies.</p>	<p>Criteria and indicator processes for sustainable forest management (much work already done).</p>

**E03 – Institutions governing forests are strengthened and decision-making improved, including involvement of forest stakeholders in the development of forest policies and legislation, thereby enhancing an enabling environment for investment in forestry and forest industries. Forestry is better integrated into national development plans and processes, considering interfaces between forests and other land uses**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Support to country efforts to resolve issues of governance and forest and carbon tenure (including gender).</p> <p>Tools for financial analysis and payments for environmental services.</p> <p>Improved land use planning alongside tenure reform.</p>	<p>Forest planning and institutional analysis.</p>

**E04 – Sustainable management of forests and trees is more broadly adopted, leading to reductions in deforestation and forest degradation and increased contributions of forests and trees to improve livelihoods and to contribute to climate change mitigation and adaptation**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Strengthening country capacity to manage forests for climate change adaptation and mitigation by adapting, testing and using best forest management practice.</p> <p>Foster national partnerships towards reducing deforestation and forest degradation, forest conservation, sustainable forest management and enhancement of carbon stocks.</p> <p>Support to participation in regional and international partnerships (e.g. model forests, REDD-plus and the Global Partnership on Forest Landscape Restoration).</p> <p>Agro-forestry issues.</p>	<p>Work on best practices guidelines, standards and tools (e.g. for fire management, planted forests, phytosanitary measures).</p>

**E05 – Social and economic values and livelihood benefits of forests and trees are enhanced, and markets for forest products and services contribute to making forestry a more economically viable land-use option**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Tools and techniques for community forestry and small- and medium-enterprise development (with regional governmental and non-governmental partners as effective delivery agents).</p>	<p>Technical analysis of specific forest industry processes.</p>

**E06 – Environmental values of forests, trees outside forests and forestry are better realized; strategies for conservation of forest biodiversity and genetic resources, climate change mitigation and adaptation, rehabilitation of degraded lands, and water and wildlife management are effectively implemented**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Forest genetic resources, considering their importance for climate change adaptation and for biodiversity conservation. Finalizing the State of the World's Forest Genetic Resources (SOW-FGR).</p> <p>Combating desertification and rangelands degradation in the framework of climate change, particularly in the arid zones, Sahara and Sahel regions.</p> <p>Integrated landscape restoration and watershed management to prevent desertification and floods.</p>	

## Strategic Objective F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture

### Strategic Objective F (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
F01	10,741	11,330	22,071	(245)	1,903	9,320	10,978	12,399	20,650	33,048
F02	11,429	31,754	43,183	(879)	3,377	2,762	5,260	13,927	34,516	48,443
F03	4,565	5,672	10,237	(1,034)	0	2,724	1,690	3,531	8,396	11,928
F04	4,987	15,462	20,449	(217)	159	(4,172)	(4,229)	4,930	11,291	16,220
F05	12,466	16,380	28,846	1,596	5,307	7,846	14,750	19,370	24,226	43,596
F06	9,005	4,238	13,244	2,698	2,427	8,685	13,811	14,131	12,924	27,054
<b>Total</b>	<b>53,192</b>	<b>84,837</b>	<b>138,030</b>	<b>1,920</b>	<b>13,174</b>	<b>27,166</b>	<b>42,260</b>	<b>68,286</b>	<b>112,004</b>	<b>180,290</b>

### Overview

89. Most of the ORs are linked to key issues highlighted or discussed by Regional Conferences and Technical Committees in 2010. Climate change is given prominence under SO-F, including contributions related to mitigation and adaptation from across the Organization under OR F5, as well as Regional Results in all Regions. In addition, issues related to land and soils (F01), water (F02) and tenure (F04), also highlighted by the above fora, are well covered. Due attention is placed on the Water Platform in line with recommendations from a recent evaluation.

90. Work on normative instruments through the Commission on Genetic Resources for Food and Agriculture (F03) is expected to continue. All areas covered by SO-F entail a strong aspect of coordination, both internally across SOs, as well as externally, in particular linked to international instruments such as the UNFCCC and others.

### Areas of emphasis and de-emphasis

#### **F01 - Countries promoting and developing sustainable land management**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Improved use of soil and land resources, including the development of the Global Soil partnership.	The Report on the State of Land and Water Resources (SO-LAW) has been completed. Attention will shift to less intense follow-up activities.

#### **F02 - Countries address water scarcity in agriculture and strengthen their capacities to improve water productivity of agricultural systems at national and river-basin levels including transboundary water systems**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Fully functional Water Platform with involvement of all concerned units, supporting field work and ensuring improved water productivity and multiple uses, together with adequate monitoring, forecasting and reporting functionality.	Work on drainage, wetlands development and technology and research in irrigation and drainage, while still seeking to satisfy demands for advice.

**F03 - Policies and programmes are strengthened at national, regional and international levels to ensure the conservation and sustainable use of biological diversity for food and agriculture and the equitable sharing of benefits arising from the use of genetic resources**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Review of the implementation of the Global Plan of Action for Animal Genetic Resources, presentation of the State of the World's Forest Genetic Resources and the State of the World's Aquatic Genetic Resources, as well as reviews of key issues linked to micro-organisms and invertebrates and relevant international targets for biodiversity, as defined in the Multi-year Programme of Work (MYPOW) of the CGRFA.	The area of plant genetic resources, in line with the Commission's current MYPOW which does not foresee major outputs or milestones for 2012-13, while noting that FAO would continue to respond to requests for support to conservation and sustainable use of plant genetic resources for food and agriculture.

**F04 - An international framework is developed and countries' capacities are reinforced for responsible governance of access to, and secure and equitable tenure of land and its interface with other natural resources, with particular emphasis on its contribution to rural development**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
The formulation and approval of "Voluntary Guidelines on responsible governance of tenure of land and other natural resources" and, after approval, to assistance to countries for the implementation of the Guidelines.  Interdisciplinary work on Food for the Cities, subject to the availability of extrabudgetary resources.	Technical guides on different aspects of tenure, as work was done in previous biennia.

**F05 - Countries have strengthened capacities to address emerging environmental challenges, such as climate change and bioenergy**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
The impacts of, adaptation to, and mitigation of climate change and related energy requirements for agriculture development, including the UN-REDD and MICCA programmes and capacity development.  Natural resources monitoring in support to global perspective studies, as well as in contributing to the next UN Summit (RIO+20) in 2012 and its follow-up.	Study of the links between bioenergy and food security, in view of practical recommendations on this topic from both the BEFS and BEFSCI projects.

**F06 - Improved access to and sharing of knowledge for natural resource management**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Policies and practical tools for inclusive national agricultural innovation systems, including natural resource management and climate change adaptation and mitigation (in response to substantial demands concerning research and extension, knowledge sharing and communication for development).	Technical assistance in the field of biosafety capacity building, due to decreased demands for assistance.

## Strategic Objective G - Enabling environment for markets to improve livelihoods and rural development

### Strategic Objective G (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
G01	9,553	29,251	38,804	54	4,719	(5,373)	(601)	14,326	23,877	38,203
G02	2,898	11,020	13,919	(1,052)	879	(5,868)	(6,041)	2,725	5,153	7,878
G03	7,365	9,257	16,623	(442)	1,408	(3,863)	(2,897)	8,331	5,394	13,725
G04	21,061	2,054	23,115	(2,513)	1,339	(1,766)	(2,941)	19,886	288	20,174
<b>Total</b>	<b>40,878</b>	<b>51,582</b>	<b>92,460</b>	<b>(3,954)</b>	<b>8,345</b>	<b>(16,871)</b>	<b>(12,479)</b>	<b>45,269</b>	<b>34,712</b>	<b>79,981</b>

### Overview

91. Work to create an enabling environment for markets to improve livelihoods and rural development contributes in the first instance to smallholder transformation, covering such aspects as rural institutions and employment, thus directly responding to recommendations in COAG and Regional Conferences. More specifically, the validation of approaches in value chain development and inclusive business models, the capacity building materials on the subject, and the reinforcing of essential farmer support services are to meet the special needs of small farmers and facilitate their integration into markets. Another preoccupation is to foster development of agribusiness and agro-industries, while also addressing the special needs of small farmers involved in these sectors. In effect, programmes to enhance competitiveness of small and medium agro-enterprises will facilitate integration of small farmers into markets and competitive value chains and finance.

92. Due emphasis is placed on cooperation with the private sector, especially as key partners in the food value chain, as well as providers of support services. In line with the conclusions of the 68<sup>th</sup> Session of the CCP, the further price spikes in 2010 and early 2011 and the threat of a re-emerging global food crisis behoves FAO to continue to address price volatility and adequate policy responses, including country level. However, the importance of maintaining sufficient capacity in the area of trade policy analysis, despite other pressures, has been voiced by a number of constituencies. All units contributing to SO-G will further engage in policy advisory and capacity development activities for national governments and rural institutions, as well as regional organizations. In partnership with sister UN agencies, FAO policy support at global, regional and national level will also seek to foster agribusiness and agro-industries development and promoting rural employment creation.

93. SO-G has manifold links to other SOs. Work on enabling policy environments that improve farmers access to markets, increase human capacities and employability, provide access to land and other productive resources (including tailored credit and insurance products) is strongly intertwined with sustainable resource management (SO-F), gender equity considerations (SO-K), increased food security and nutrition (SO-H) and agricultural investment (SO-L). It is also quite pertinent in the context of emergency responses and ensuring resilience to external shocks (SO-I).

*Areas of emphasis and de-emphasis***G01 - Appropriate analysis, policies and services enable small producers to improve competitiveness, diversify into new enterprises, increase value addition and meet market requirements**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Strategies and policies to support smallholder integration into value chains.</p> <p>Analysis to inform the formulation of policies and strengthening of institutions (cooperatives, farmers' groups and value chain associations) to support small-scale agriculture and facilitate smallholder integration in markets.</p> <p>Producer organizations, as a prime target group for assistance among wider rural institutions.</p> <p>Validation of approaches and programmes for improving producer-market linkages and reinforcing essential farmer support services, including financial services and market extension.</p>	<p>Research on structural change and the relationship between economic growth and farm size.</p> <p>Studies on technical capacity and profitability of small-scale agriculture.</p> <p>Work on capacity development materials on post-harvest handling in the value chains is moved to SO-A.</p>

**G02 - Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Policy advice and mainstreaming of rural employment and decent work in FAO country programmes (including the prevention of child labour in agriculture and rural youth employment creation).</p> <p>A strategic approach for FAO interventions concerning gender equitable rural employment at country level.</p> <p>Capacity development for more effective integration of land and labour concerns in national development strategies, policies and programmes.</p>	<p>General knowledge creation on employment and labour issues (in favour of work directly linked to implementation at country level).</p> <p>The Rural Income Generating Activities (RIGA) which have led to an innovative database on diversified income sources in rural areas and produced numerous research papers investigating key policy research issues based on the RIGA data.</p>

**G03 - National and regional policies, regulations and institutions enhance the developmental and poverty reduction impacts of agribusiness and agro-industries**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Strategies and institutional strengthening to maximize the development impacts of agribusiness and agro-industries.</p> <p>Advocacy and programme development to support small and medium agro-enterprises.</p>	<p>Mechanization strategy development moved to SO-A.</p>



**G04 - Countries have increased awareness of and capacity to analyse developments in international agricultural markets, trade policies and trade rules to identify trade opportunities and to formulate appropriate and effective pro-poor trade policies and strategies**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>The mitigation of risks posed by agricultural price volatility through: enhanced market monitoring, the provision of more timely and comprehensive information on global markets, and analysis and capacity building in appropriate policy responses.</p> <p>Advice on international investment in agriculture, including the further development of principles for responsible agricultural investment.</p> <p>Policies and market development strategies for climate change adaptation.</p>	<p>Market monitoring and trade policy analysis in some regions, in line with progress made and partnerships.</p>

**Strategic Objective H - Improved Food Security and Better Nutrition**

**Strategic Objective H (in USD 000 at 2010-11 rates)**

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
H01	15,618	51,721	67,339	872	6,929	13,335	21,135	23,419	65,056	88,475
H02	4,052	5,919	9,971	888	0	2,744	3,633	4,941	8,664	13,604
H03	3,694	2,610	6,304	1,746	708	7,563	10,017	6,147	10,174	16,321
H04	11,550	9,543	21,093	1,401	6,633	3,479	11,513	19,584	13,022	32,606
H05	23,539	20,093	43,632	1,284	8,266	(961)	8,589	33,090	19,132	52,221
<b>Total</b>	<b>58,454</b>	<b>89,887</b>	<b>148,340</b>	<b>6,191</b>	<b>22,536</b>	<b>26,160</b>	<b>54,887</b>	<b>87,181</b>	<b>116,047</b>	<b>203,228</b>

*Overview*

94. Given the persistence of chronic hunger and malnutrition, combined with increased food price volatility around the world and the negative impact of rising food prices on people's capacity to access food of sufficient nutritional quality, work planned in 2012-13 under SO-H remains highly relevant and most areas must keep to their relative degree of priority. All regional fora have underlined the need to strengthen capacity to formulate and implement effective food security and nutrition policies (H01), with one subregion (South America) giving specific emphasis to the realization of the right to adequate food (H02). All regions, in particular the North America region, have emphasized the importance of food security and nutrition linkages in policy and programme design (H03), while most regions placed priority on the need to strengthen data collection, statistics, information and analysis, in particular for the identification of food insecure populations and to address rural development priorities (H04). The need to strengthen information and knowledge management and exchange for enhanced food and nutrition security was also flagged as a priority area of work in three regions (H05).

95. FAO and WHO are jointly organizing the International Conference on Nutrition +20 devoted to considering the world's nutrition problems in the 21 century, raising political will and resources necessary for meeting the nutrition-related MDGs, and for reaching consensus on a declaration on nutrition and a multisectoral nutrition framework.

96. Furthermore, the work on statistics, right to food, knowledge networks and partnership building among the Rome-based agencies was underscored by the Committee on Agriculture, while the Committee on World Food Security (CFS) called for a Round Table to review methods used to estimate the number of hungry, in addition to a high-level expert forum on the food security situation in countries subject to protracted crises. Finally, the extensive links with other Strategic Objectives are reflected in calls reverberating in many intergovernmental instances for better understanding of the impact of market price volatility on food security of smallholders (SO-G), addressing the impact of climate change on food security (SO-F), seeking improved integration of gender concerns (SO-K), improved disaster risk management and strengthening of associated information systems (SO-I), and stepped up investment for enhanced food and nutrition security (SO-L).

97. The outcome of the Joint Evaluation of FAO and WFP Support to Information Systems on Food and Nutrition Security (ISFNS) was reflected, while awaiting the findings of the ongoing Evaluation of FAO's role and work in nutrition. Finally, partnerships have traditionally been a major feature of FAO's work in food security and nutrition and these will be further enhanced, including with the Rome-based Agencies.

*Areas of emphasis and de-emphasis*

**H01 - Countries and other stakeholders have strengthened capacity to formulate and implement coherent policies and programmes that address the root causes of hunger, food insecurity and malnutrition**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Systems for improved policy and programme impact assessment and monitoring (in relation to food security and nutrition).</p> <p>Support to countries and regional organizations to assess the food security implications of national and international policies.</p> <p>At regional level, programmes that address the root causes of malnutrition.</p>	<p>Normative work that does not directly feed into capacity development at country and regional levels, in response to regional demand for support in food security and nutrition policy and programme formulation and implementation,.</p>

**H02 - Member countries and other stakeholders strengthen food security governance through the implementation of the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security and a reformed Committee on World Food Security**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Governance and policy convergence at global level through further support to the reformed Committee on World Food Security (CFS), including the High-level Panel of Experts (HLPE).</p> <p>Primarily through extrabudgetary funding, work on right to food at country level while links with the reformed CFS will be strengthened.</p>	<p>With reference to work on the right to food, normative work at headquarters (to favour increased outreach work at regional and country levels).</p>

### **H03 - Strengthened capacity of member countries and other stakeholders to address specific nutrition concerns in food and agriculture**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>The effectiveness and impact of food and nutrition education interventions, while using innovative approaches to training through e-learning.</p> <p>Awareness raising for addressing nutritional concerns, especially in some regions.</p>	<p>Data collection workshops in the Asia and Pacific region.</p>

### **H04 - Strengthened capacity of member countries and other stakeholders to generate, manage, analyse and access data and statistics for improved food security and better nutrition**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Implementation of the corporate strategy on Information Systems for Food and Nutrition Security (ISFNS),</p> <p>The Global Strategy to Improve Agriculture and Rural Statistics.</p> <p>Mainstreaming the use of sex-disaggregated statistics at regional level.</p>	<p>Regional workshops on FAO questionnaires in Asia and the Pacific.</p>

### **H05 - Member countries and other stakeholders have access to FAO analysis and information products and services on food security, agriculture and nutrition, and strengthened own capacity to exchange knowledge**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Analytical work on food security and nutrition to inform countries, development partners and other stakeholders on underlying causes and options for response.</p> <p>Uptake and use of agricultural information and knowledge standards, tools, and methodologies, including through the new global CIARD coherence framework and advocacy at policy level (offers of e-learning opportunities will be increasingly funded by voluntary contributions).</p>	<p>Regional workshops on communities-of-practice and case studies in Asia and the Pacific.</p>

## Strategic Objective I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies

### Strategic Objective I (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
I01	4,393	54,114	58,507	357	0	31,366	31,723	4,751	85,479	90,230
I02	1,801	51,242	53,043	37	86	(10,151)	(10,028)	1,924	41,091	43,015
I03	1,116	266,861	267,978	1,229	0	8,243	9,472	2,346	275,104	277,450
<b>Total</b>	<b>7,311</b>	<b>372,217</b>	<b>379,527</b>	<b>1,624</b>	<b>86</b>	<b>29,458</b>	<b>31,168</b>	<b>9,021</b>	<b>401,675</b>	<b>410,696</b>

### Overview

98. Work aimed at building or reinforcing country capacities to prepare for, and respond to, food and agricultural threats and emergencies puts emphasis on risk prevention and preparedness. This SO provides one of FAO's entry points to address the immediate challenges related to climate change, through for instance support to national and regional disaster risk reduction and management strategies (including for climate-change associated extreme weather events and longer term drought). Finally, work under SO-I contributes as well to building country resilience to external shocks, for example via exit strategies and ensuring a smooth transition between emergency and development.

99. Prioritisation within SO-I has been driven by the recommendations of several evaluations related to emergencies, in particular the Evaluation of FAO's emergency operational capacity in emergencies, as well as the close interactions with WFP for the establishment and implementation of the Food Security Cluster. The three ORs share a common focus on:

- the country-driven approach to programming all aspects of Disaster Risk Management (DRM);
- capacity of governments and partners to effectively mainstream and manage DRM policies, platforms and programmes into broader agriculture and food and nutrition security policies;
- gender in DRM capacity development, policy and programming work;
- contributions to DRM-related international platforms and policy fora; and
- integrating monitoring, good practices and lessons into the DRM programming cycle.

100. Finally, resource mobilization will keep to its essential character under this SO, as almost all of the resources are mobilized through voluntary contributions.

*Areas of emphasis and de-emphasis***I01 – Countries’ vulnerability to crisis, threats and emergencies is reduced through better preparedness and integration of risk prevention and mitigation into policies, programmes and interventions**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Institutional strengthening and good governance for DRR in the agriculture sector.</p> <p>Transboundary threats and food and nutrition security information and early warning systems.</p> <p>Preparedness for effective response and recovery.</p> <p>Good practices, processes and technologies for mitigation and prevention in farming, fisheries and forestry.</p>	<p>Development of narrowly sectoral technical tools in areas where FAO already has a comparative advantage.</p>

**I02 - Countries and partners respond more effectively to crises and emergencies with food and agriculture-related interventions**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>The Food Security Cluster global guidance and its implementation at country level.</p>	<p>Project-based, one-off interventions.</p>

**I03 - Countries and partners have improved transition and linkages between emergency, rehabilitation and development**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Inclusion of DRR and transition strategies in FAO’s Country Programming Frameworks (CPF).</p> <p>The systematic inclusion of longer-term rehabilitation and transition strategies, including DRR aspects, throughout emergency responses.</p>	<p>Long-term strategies that are limited to agriculture production aspects.</p>

## Strategic Objective K - Gender equity in access to resources, goods, services and decision-making in the rural areas

### Strategic Objective K (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
K01	2,030	798	2,828	(1,277)	69	826	(382)	822	1,623	2,446
K02	2,296	5,849	8,145	(658)	801	(201)	(58)	2,439	5,648	8,087
K03	3,157	6,038	9,195	(750)	2,322	(3,387)	(1,816)	4,728	2,651	7,379
K04	2,355	18	2,373	3,108	1,993	32	5,133	7,456	50	7,506
<b>Total</b>	<b>9,838</b>	<b>12,703</b>	<b>22,540</b>	<b>423</b>	<b>5,185</b>	<b>(2,731)</b>	<b>2,877</b>	<b>15,446</b>	<b>9,972</b>	<b>25,418</b>

### Overview

101. Evidence presented in SOFA 2011 indicates that gender inequities remain at the heart of food insecurity and hunger and thus addressing them is a necessity and a matter of urgency. It is clear that closing the gender gap would take tens of millions of people out of poverty and food insecurity. At the same time, the findings of the recently concluded FAO Gender Audit exercise, carried out under the auspices of UNIFEM, identified key challenges and made specific recommendations for a strategic mainstreaming of gender issues in the technical work of the Organization. Taking into account these opportunities and challenges, FAO's work on gender in 2012-13 will be organized around three critical thematic areas: a) developing an evidence base for gender inequality in agriculture and food security and using such evidence for policy and programme support; b) preparing capacity development tools and methodologies, as well as designing a capacity development strategy and implementation plan for gender mainstreaming; c) putting in place a more robust gender mainstreaming approach for the staff and management of FAO.

### Areas of emphasis and de-emphasis

#### **K01 - Rural gender equality is incorporated into UN policies and joint programmes for food security, agriculture and rural development**

<i>Higher emphasis to</i>	<i>Lower emphasis to</i>
Strengthening capacity for the application and utilisation of methodologies and tools on rural gender issues particularly in FAO's Country Programming Framework.	In the last year, tools and methodologies have been developed to support the integration of rural gender issues in the UN Joint Programming process.

#### **K02 - Governments develop enhanced capacities to incorporate gender and social equality issues in agriculture, food security and rural development programmes, projects and policies using sex-disaggregated statistics, other relevant information and resources**

<i>Higher emphasis to</i>	<i>Lower emphasis to</i>
Developing a results-based capacity development strategy on gender mainstreaming including review of existing training materials and new ones. Sex-disaggregated data (collection, analysis, dissemination and use) will be given more emphasis.	Activities under the IFAD Grant to FAO on Capacity Development and Knowledge Management have been completed. Thus non-scheduled implementation of capacity development activities as done under the grant will be phased out.

### **K03 – Governments are formulating gender-sensitive, inclusive and participatory policies in agriculture and rural development**

<i>Higher emphasis to</i>	<i>Lower emphasis to</i>
Generation and use of good quality evidence on gender and social inequities for policy dialogue and support.	SOFA 2011 has been completed and will be launched in March, only follow-up activities will be maintained.  With the finalization and approval of the FAO's Indigenous Peoples Policy, the main outstanding activity is the implementation process which will be accomplished through collaboration both within and outside FAO.

### **K04 – FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work**

<i>Higher emphasis to</i>	<i>Lower emphasis to</i>
Based on the recommendations of the Gender Audit report, Strategy Team retreat, and demand both at headquarters and in decentralized offices, all activities under this OR need more emphasis.	

## **Strategic Objective L - Increased and more effective public and private investment in agriculture and rural development**

### **Strategic Objective L (in USD 000 at 2010-11 rates)**

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
L01	10,817	13,775	24,592	119	1,772	1,088	2,979	12,708	14,863	27,571
L02	7,734	14,072	21,806	4,444	0	26,828	31,273	12,178	40,900	53,078
L03	18,020	23,924	41,944	(2,751)	0	2,209	(543)	15,269	26,133	41,401
<b>Total</b>	<b>36,571</b>	<b>51,771</b>	<b>88,342</b>	<b>1,812</b>	<b>1,772</b>	<b>30,125</b>	<b>33,709</b>	<b>40,155</b>	<b>81,896</b>	<b>122,051</b>

### *Overview*

102. Governing bodies have consistently emphasized the need for investment in food security, agriculture and rural development and there are some promising trends, with ODA for agriculture increasing by 13 percent annually between 2004 and 2009. Domestic public expenditure in the same areas is also rising, though less quickly than ODA, while FAO is seeking to better track this type of expenditure. Ensuring sustainability and greater resilience within smallholder farming systems is central to this necessary investment thrust. While work under this Strategic Objective supports the preparation and implementation of an increasing volume of International Financial Institution (IFI) funded investment projects and programmes (L03), there is a shift toward substantive reviews of policy frameworks that underpin agricultural investment (L01) and capacity development for investment, in national government and Regional Economic Integration Organizations for the design of national and regional strategies and programmes for food security (L02).

103. Globally, FAO is supporting the implementation of the L'Aquila Food Security Initiative (AFSI), through investment development in connection with the AFSI-financed Global Agriculture

and Food Security Programme (GAFSP). The growing Global Environment Facility (GEF) portfolio also reflects FAO's attention to climate change and sustainable forestry, land, and fisheries management investment. In Africa, support to investment planning and implementation is inextricably linked to the Comprehensive African Agriculture Development Programme (CAADP), while investment support in Asia is built around the Asia and the Pacific Regional Food Security Partnership Framework. Private sector engagement in agriculture investment is to be strengthened through capacity development for Public Private Partnerships (PPP) and support for country implementation of the Principles for Responsible Agricultural Investment.

104. The activities planned for 2012-13 place due emphasis on broad macroeconomic and social policy issues that set the framework for both public and private investment, and on collaboration with national and regional partners to achieve sustainable capacity development. In the above context, possible areas of de-emphasis as regards this SO are relatively few and minor: some relate to completed work programmes or phases thereof, while there is also a shift in emphasis concerning agribusiness and PPP development toward creating a better enabling environment away from direct support. As recognized by COAG, the work under SO-L remains very country-driven and specific investment activities vary according to the needs of individual countries. Hence, it is not feasible to plan investment support work far in advance according to subject matters, for example, crops, livestock, land tenure, or irrigation.

*Areas of emphasis and de-emphasis*

**L01 -Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies into national and regional development plans and frameworks**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
Support to the development of CAADP Country Compacts and to the formulation of CAADP Country Investment Plans.	As SOFA 2012 thematic issue is on agricultural investments, most work is to be completed in the course of 2011. Attention will shift to less intense follow-up activities.
Broad macroeconomic and social policy issues that set the framework for both public and private investment.	Support to the formulation of investment frameworks for agricultural water management (to work primarily on capacity development under L02).



**L02 - Improved public and private sector capacity to plan, implement and enhance the sustainability of food and agriculture and rural development investment operations**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Comprehensive regional and national capacity development for investment programmes, in partnership with appropriate institutions to enhance sustainability (additional extra-budgetary resources to be sought).</p> <p>Sound enabling environment and regulatory capacity for sustainable private investment in agriculture by putting the Principles for Responsible Agricultural Investment into practice (additional extrabudgetary resources also to be sought).</p> <p>Capacity development and guidance to countries on Public Private Partnerships (PPPs).</p> <p>South-South Cooperation in support of national and regional food security programme implementation.</p> <p>Capacity development in support of the formulation of investment frameworks for agricultural water management.</p>	<p>Face to face RuralInvest training, to be replaced by greater reliance on e-learning tools and regional partners for training of trainers.</p> <p>Investment needs assessments for agribusiness, agro-industries and rural infrastructure, where these have been largely completed.</p> <p>PPP assessments, where completed.</p>

**L03 - Quality assured public/private sector investment programmes, in line with national priorities and requirements, developed and financed**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Investment development, in partnership with donors, in those African countries that have successfully completed their CAADP country investment plans.</p> <p>Support to the implementation of GAFSP investments at country level.</p> <p>GEF portfolio, in line with country demands and available staff resources.</p>	<p>PPP development support shifted to improving enabling environments under L02.</p>

## C. FUNCTIONAL OBJECTIVES

### Functional Objective X - Effective collaboration with Member States and stakeholders

#### Functional Objective X (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
X01	44,903	9,683	54,586	(2,425)	0	13,352	10,927	42,478	23,035	65,514
X02	90,386	4,236	94,623	(12,518)	0	(1,480)	(13,998)	77,868	2,756	80,624
X03	23,472	1,206	24,678	16,218	0	1,923	18,141	39,690	3,129	42,818
X04	61,919	3,180	65,099	7,180	0	1,586	8,767	69,100	4,767	73,866
<b>Total</b>	<b>220,681</b>	<b>18,305</b>	<b>238,986</b>	<b>8,455</b>	<b>0</b>	<b>15,381</b>	<b>23,836</b>	<b>229,136</b>	<b>33,687</b>	<b>262,822</b>

105. Functional Objective X provides the basis for planning and monitoring improved delivery by FAO of four sets of non-administrative services that are critical to achievement of results across the Strategic Objectives, in collaboration with Members and external partners. The main thrusts, including areas of emphasis and de-emphasis under the four Organizational Results, are summarized below and are further elaborated in the FO X results framework in *Section IV.B*.

#### **X01 Effective programmes addressing Members' priority needs developed, resourced, monitored and reported at global, regional and national levels**

106. Critical components of integrated work are: results-based management, country programming, resource mobilization and support to the decentralization process.

- Emphasis will be given to strengthening the role and capacity of Organization-wide and Regional Strategy Teams in results-based planning, implementation and monitoring, including through risk management, building on experience and lessons learned from 2010-11. The sequencing of the planning and monitoring exercises will also be reviewed and refined based on experience.
- Emphasis will be given to putting in place the new Country Programming process (Country Programme Framework, Country Office Work Planning), taking account of the recommendations of the related Strategic Evaluation and utilizing corporate guidelines developed during 2010-11. Tools managed by different units will be de-emphasized, which should facilitate an integrated approach to country programming under the leadership of the X01 Strategy Team.
- The corporate Resource Mobilization and Management Strategy will be applied at the regional and country levels, based on appropriate RM practical guides and training programmes. Emphasis will be given to Impact Focus Areas (IFAs) and FAO's Multipartner Programme Support Mechanism (FMM).

107. Work on policy assistance, while continuing to support countries and Regional Economic Organizations in identifying development priorities, will be reviewed based on the outcome of the strategic Evaluation of FAO's policy work due in late 2011.

#### **X02 Effective and coherent delivery of FAO core functions and enabling services across Organizational Results**

108. The formulation of Organizational Result X02 is being refined to better focus on related core functions and enabling services across Organizational Results. Work on advocacy and communications has been moved to X03 to more effectively leverage key partnerships and alliances in 2012-13. Work on information systems and technology will be governed by the Information Technology Strategy to be finalized during 2011 and implemented from 2012 (*Section II.E*). While nearly all the resources related to the work of the Chief Information Officer division are associated

with X02, consideration will be given to breaking this work out into a new OR in the next MTP to better quantify expected results and indicators in line with the IT Strategy.

109. The eight core functions represent the critical means of action to be employed by FAO to achieve results, drawing on the Organization's comparative advantages. The medium-term strategic directions regarding each core function, including internal mechanisms to ensure coherent action across sectoral lines and organizational units, are provided in *Annex II. Section D* of the MTP provides an update on progress made and further plans for mainstreaming the application of core functions within the results frameworks in 2012-13.

### **X03 FAO's activities enhanced through effective corporate communication and advocacy, key partnerships and alliances**

110. Corporate activities on advocacy and communication have been shifted from X02 so as to more effectively leverage key partnerships and alliances in enhancing FAO's work under the Strategic Objectives. Emphasis will be given to the effective application of communication guidelines, corporate branding and focused advocacy messages and campaigns. As required, hands-on assistance and expertise will be provided within the house as regards communication planning and implementation, and adherence to existing guidelines for print and Web-based material and the use of social media. Maximum leveraging of media and other communication and advocacy partners remains a major preoccupation, through greater outreach to them.

111. Areas of emphasis on partnerships will be guided by the implementation of the Organization-wide Strategy on Partnerships, and the complementary specific strategies relating to collaboration with the UN system, including the Rome-based agencies, civil society and the private sector. This will entail continuing guidance to units in assessing current and developing new partnerships, use of results-based monitoring and evaluation tools (including due diligence and risk management tools for the private sector) and an updated knowledge-base on successful partnerships to serve as reference.

### **X04 Effective direction of the Organization through enhanced governance and oversight**

112. Areas of emphasis for enhanced governance and oversight include:

- servicing more effectively the governing and statutory bodies and implementing their decisions in a responsive and transparent way;
- developing and implementing a risk-based audit and investigation plan, targeting highest risks that may impede the execution of approved programmes;
- improving follow-up and implementation of Evaluation recommendations in the context of results-based management;
- performing fully the Ethics function and the Ombudsman role, which constitute priority areas of the IPA
- strengthening of language services as approved by the 140<sup>th</sup> Session of Council;
- provision of legal services in support of FAO's governance framework and activities;
- at the regional level, coordinated action to enable the Regional Conferences to carry out their new governance role more effectively.

## Functional Objective Y - Efficient and effective administration

### Functional Objective Y (in USD 000 at 2010-11 rates)

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change				PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
Y01	66,724	12,720	79,444	(1,654)	0	13,367	11,713	65,069	26,087	91,157
Y02	26,852	3,675	30,527	(17,948)	0	16,153	(1,795)	8,904	19,828	28,732
Y03	25,007	2,158	27,165	9,013	0	(946)	8,067	34,019	1,212	35,232
<b>Total</b>	<b>118,583</b>	<b>18,553</b>	<b>137,136</b>	<b>(10,590)</b>	<b>0</b>	<b>28,574</b>	<b>17,984</b>	<b>107,993</b>	<b>47,128</b>	<b>155,120</b>

113. Functional Objective Y represents the administrative budget and will set the basis for measuring quantifiable improvements in efficiency and effectiveness of FAO's administrative work, including financial stewardship and reporting, procurement, human resources management and facilities management, as set out in the results framework in *Section IV.B*. Areas of relative emphasis and de-emphasis for 2012-13 are summarized below for the three Organizational Results.

#### **Y01 FAO's support services are recognised as client-oriented, effective, efficient and well-managed**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Use of Service Level Agreements (SLAs), including better tracking and monitoring tools to ensure continuous fine-tuning of SLAs and close match with clients' needs.</p> <p>In the administrative field in general, improving communication with clients, streamlining processes, and simplifying workflows. Special attention would be paid to consolidating operations and creating a solid foundation for eventual further off-shoring.</p>	<p>Reducing service level targets for current services (which are proving to be generally acceptable to clients), in order to focus on newly off-shored functions.</p> <p>Further benchmarking work, as the CS department needs to accumulate sufficient data based on experience to be able to compare its services with those of other entities.</p>

#### **Y02 FAO is recognised as provider of comprehensive, accurate, and relevant management information**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Completing work in relation to planned financial accounting, control and reporting deliverables (in particular the changes in support of the implementation of IPSAS).</p> <p>As regards the corporate MIS, alignment of the MIS initiatives with the synergistic IPSAS/R12 implementation.</p>	<p>Formalization of the internal control framework and internal control reporting, taking account of capacity constraints.</p>

**Y03 - FAO is recognised as an employer that implements best practices in performance- and people-management, is committed to the development of its staff, and capitalises on the diversity of its workforce**

<i>Higher emphasis to:</i>	<i>Lower emphasis to:</i>
<p>Continue the transformation of human resources management from a primarily transactional function to a more strategic, specialist business partner (e.g. internalization of the HR strategy, communications and change management).</p> <p>Enhancement of the skills and capabilities of FAO's workforce and alignment between HR capabilities and the corporate HR strategy.</p> <p>Formulation and implementation of a corporate competency framework, which defines skills and behaviours for all staff in areas such as communications and teamwork, and are directly related to performance on the job (competencies to be incorporated in a range of HR functions including job design, recruitment, performance management and learning and development).</p> <p>Learning and development programmes, seeking to expand access of all staff to learning opportunities (e.g. e-learning programmes offered through the FAO "Virtual Academy", which will increasingly be complementing face-to-face learning programmes).</p> <p>Further efforts to streamline recruitment processes and ensure outreach to potential applicants in non- and under-represented countries.</p>	

## II. Impact of Reforms in the Organization

### A. IMPLEMENTATION OF THE IMMEDIATE PLAN OF ACTION

114. By its Resolution 1/2008, the 35<sup>th</sup> Special Session of the FAO Conference in November 2008 adopted the Immediate Plan of Action (IPA) for FAO Renewal for the period 2009-11. It decided that: “*implementation of the Immediate Plan of Action in 2009 required funding by extrabudgetary contributions, and that its funding for 2010-2011 would be treated under the Programme of Work and Budget*”. During 2009, an external Root and Branch Review of administrative processes, which was a recommendation of the IEE and envisaged in the IPA, was undertaken. Costs and savings stemming from this review were fully integrated into the IPA plan, which contributed to extending the implementation time period through 2013. Conference Resolution 3/2009 approved USD 39.6 million to fund the implementation of the IPA in 2010-11 under the budgetary appropriations, comprising an estimated amount of USD 21.4 million for investment costs, USD 23.5 million recurrent costs and USD 5.3 million in recurrent savings.

115. The IPA is a five- year renewal programme. Significant progress in the implementation of the IPA has been achieved to date, as outlined in progress reports to the Finance Committee and the Conference Committee on the Follow-up to the Independent External Evaluation of FAO (CoC-IEE) in 2009, 2010 and 2011. Management also provided details on the estimates of the budgetary requirements for the IPA in 2012-13 to the Finance Committee at its Sessions in October 2010 and February 2011, as well as to the October 2010 and February 2011 meeting of the CoC-IEE.

116. In the PWB 2012-13, the IPA programme has been fully mainstreamed by including the proposed financial requirements in the net appropriation figures, which are presented within the budgetary chapters for the Strategic and Functional Objectives and Capital Expenditure. The holistic presentation is important given the inter-relationship between the IPA and the regular programme of work in a number of areas, including information and communication technology, International Public Sector Accounting Standards (IPSAS) and human resources.

117. The sections below outline the development of the financial plans for the IPA for 2012-13 and the main activities comprising the 2012-13 programme.

#### *Financial plans of the 2012-13 IPA programme*

118. Management adopted a four-point policy for the prioritization and budgeting of IPA projects and activities for the biennium 2012-13, which included: a) review of delivery capacity; b) sustainability of IPA projects; c) better integration of IPA activities with the regular programme of work; and d) avoidance of IPA resources for administrative positions.

119. The IPA budgetary requirements for 2012-13 are divided into two areas – (i) recurrent costs and savings that are a result of IPA actions undertaken in 2010 and 2011; and (ii) investment costs and recurrent costs and savings that are required for actions to be initiated in 2012-13.

120. During 2010, under the overall oversight of the Programme Board, the IPA Project Leaders reassessed their one-time and recurrent costs based on actual expenditure and project needs. The impact of this reassessment was a USD 0.8 million increase in investment costs and an equal reduction in recurrent costs, with no changes to savings, resulting in the same overall total budget of USD 39.6 million. Row 1 of *Table 4* indicates the approved PWB (including cost increases) and row 2 indicates the impact of this review.

**Table 4: IPA costs and savings summary**

IPA costs and savings summary (in USD millions)					
	Investment	Recurrent			Total
	Costs	Costs	Savings	Net	
1. 2010-11 Approved PWB	21.40	23.50	-5.30	18.20	39.60
2. 2010-11 Revised costs	22.20	22.70	-5.30	17.40	39.60
3. 2012-13 Recurrent costs and savings		27.94	-6.98	20.96	20.96
4. Actions initiated in 2012-13	16.61	3.84	-3.57	0.27	16.88
<b>5. Total cost 2012-13</b>	<b>16.61</b>	<b>31.78</b>	<b>-10.55</b>	<b>21.23</b>	<b>37.84</b>

121. The financial effect of the IPA programme initiated in 2010-11 on the 2012-13 programme is shown in row 3 of *Table 4*. Due to their one-time nature, the investment costs of USD 22.2 million required in 2010-11 do not carry forward into 2012-13. The 2010-11 recurrent costs (USD 22.7 million) increase to USD 27.94 million in 2012-13. This is because these costs were incurred from some point during the 2010-11 biennium, without necessarily applying for a full 24 months, whereas these costs will be incurred for a full 24 months in 2012-13<sup>13</sup>.

122. The 2010-11 recurrent savings (USD 5.3 million) increase to USD 6.98 million in 2012-13, following the same logic as for recurrent costs. As such, the 2012-13 net recurrent costs (i.e. recurrent costs less recurrent savings) resulting from 2010-11 IPA activities total USD 20.96 million.

123. In estimating the new IPA programme requirements for 2012-13 Management first considered the estimated costs of IPA projects that were delayed, extended or reduced in scope in 2009 to reduce the estimated cost of the 2010-11 IPA programme.<sup>14</sup> Whilst Management did not reinstate the reductions in scope which were made in 2009, the extensions and delayed starts did impact on the 2012-13 programme. The second area considered was the 2012-13 costs and savings associated with actions arising from the recommendations of the Root and Branch review conducted by Ernst and Young in 2009.

124. Taking the above into account, a 2012-13 IPA programme was developed for new actions to be initiated with investment costs of USD 16.61 million, recurrent costs of USD 3.84 million, and recurrent savings of USD 3.57 million. The total net budget requirement under this category is USD 16.88 million as shown in row 4 of *Table 4*.

125. Combining the two elements provides a total IPA programme estimate of USD 37.84 million, as indicated in row 5 of *Table 4*.

#### *Main IPA activities comprising the 2012-13 programme*

126. The estimated cost for the 2012-13 IPA programme by thematic area is summarized in *Table 5*, including the allocation by Strategic/Functional Objective. The substantive programme and breakdown of estimated costs for each thematic area of the IPA is provided below.

<sup>13</sup> For example, monthly expenditure of USD 100 incurred on an IPA action that took effect from July 2010 would incur a total cost in 2010-11 of USD 1,800 over a period of 18 months. However, the financial impact of such action in 2012-13 would be for the entire biennium of 24 months and would amount to USD 2,400 without any change in the nature or scope of the activity.

<sup>14</sup> The IPA programme was reduced by USD 11.2 million from a USD 59.8 million proposal in the draft PWB (July 2009) to USD 38.6 million before cost increases as approved in the PWB 2010-11 (C2009/15 paragraph 115).

**Table 5: 2012-13 IPA programme costs by thematic area**

Thematic area	Investment		Recurrent		Total	SO/FO Chapter Allocation
	Costs	Costs	Savings	Net		
1. Managing for results	1.40	2.14	0.00	2.14	3.54	X
2. Human Resources	1.90	14.50	-1.12	13.38	15.28	Y
3. Culture change	2.30	0.00	0.00	0.00	2.30	Y
4. Decentralization and partnerships (functioning as one)	1.14	1.72	0.00	1.72	2.86	X
5. Enhanced administrative and management systems	6.49	7.78	-9.43	-1.65	4.84	Various
6. Effective governance and oversight	0.20	5.64	0.00	5.64	5.84	X
<i>Management support</i>	3.18	0.00	0.00	0.00	3.18	X
<b>Total</b>	<b>16.61</b>	<b>31.78</b>	<b>-10.55</b>	<b>21.23</b>	<b>37.84</b>	

*Managing for results***Table 6: 2012-13 estimated IPA costs for managing for results (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Managing for results</b>	<b>1.40</b>	<b>2.14</b>		<b>2.14</b>	<b>3.54</b>
Project 3a- Reform of programming, budgeting and results based management	1.40				1.40
Project 4- Resource mobilization and management		1.34		1.34	1.34
Project 12- Enterprise Risk Management		0.80		0.80	0.80

127. The main thrust of activities in the managing for results thematic area will be the ongoing implementation of the new planning model, continued work on resource mobilization and management guided by the Strategic Framework, and the full integration of Enterprise Risk Management (ERM) in the RBM framework of the Organization.

128. One-time costs relate to bringing the planning and monitoring system fully into line with RBM. Recurrent costs will be incurred in the area of resource mobilization to support the ongoing integration of extrabudgetary resources with assessed contributions and to continue capacity building and in-house communication, and to integrate enterprise risk management into the results-based management framework of operations.



*Human resources***Table 7: 2012-13 estimated IPA costs for human resources (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Human Resources</b>	<b>1.90</b>	<b>14.50</b>	<b>-1.12</b>	<b>13.38</b>	<b>15.28</b>
Project 14 – Human Resources	1.90	14.50	-1.12	13.38	15.28
Action 3.59 – Implement an effective policy for geographical and gender representation particularly regarding developing countries		0.28		0.28	0.28
Action 3.60 – Introduce a package for increasing staff training, including management		1.60		1.60	1.60
Action 3.61 – Incentive based staff rotation policy		2.80		2.80	2.80
Action 3.62 – Junior Professionals Programme		5.30		5.30	5.30
Action 3.64 – Wider publication of FAO vacancies		0.40		0.40	0.40
Action 3.66 – Competency framework	1.90				1.90
Action 3.70 – Introduce objective staff appraisal system		1.40		1.40	1.40
Action 7.27 – Define a new role for HR		2.72	-1.12	1.60	1.60

129. In light of the high priority and urgency of action recognized for Human Resources renewal, the majority of costs in this thematic area arise from initiatives that have already commenced in 2010. Accordingly, most of the costs in the human resources thematic area consist of recurrent costs relating to the continued implementation of HR initiatives already started in 2010-11. However, additional recurrent costs are proposed to be incurred in 2012-13 under the Junior Professional Programme while investment costs will be required to complete the development of the Corporate Competency Framework.

130. Other HR activities in 2012-13 will be focused on the enhancement of the Organization's human resources capabilities and the alignment of these capabilities to the corporate strategy. Accordingly, the main activities in the next biennium will also cover the areas of management training, staff appraisal, full implementation of the new staff rotation policy, further improvements in recruitment, measures to ensure greater equity in geographic and gender representation, as well as delivering new HR functions such as career development, strategy, HR communications and staffing.

*Culture change***Table 8: 2012-13 estimated IPA costs for culture change (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Culture Change</b>	<b>2.30</b>				<b>2.30</b>
Project 13 – Culture Change	2.30				2.30

131. The main thrust of activities in the Culture Change thematic area in 2012-13 will centre on realizing FAO internal vision through continued implementation of the Corporate Strategy on Culture Change within which provision will be made for improved support to Change Teams in decentralized offices, learning Organization initiatives, leadership engagement in culture change, and development of indicators to measure culture shift.

132. There are three main deliverables planned in 2012-13. The first is a strengthened capacity of local culture change teams to support culture change in FAO. The second is the introduction of measures to strengthen the awareness and capacity of FAO leaders and staff to mainstream measures consistent with the FAO internal vision throughout the Organization. The third deliverable is the availability and use of tools to implement, monitor and communicate culture change in FAO, and also to measure culture shift. Particular emphasis will be placed on mainstreaming the monitoring of FAO culture into the regular monitoring systems of the Organization.

*Decentralization and partnerships (functioning as one)*

**Table 9: 2012-13 estimated IPA costs for decentralization and partnerships (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Decentralization and Partnerships (Functioning as One)</b>	<b>1.14</b>	<b>1.72</b>		<b>1.72</b>	<b>2.86</b>
Project 6- Decentralization	0.74				0.74
Project 8- Partnerships	0.40	1.72		1.72	2.12

133. The main thrust of activities in this area in 2012-13 will contribute to the implementation of the strategies resulting from the dialogue amongst the membership on the “Vision for the structure and functioning of Decentralized Offices” currently being produced for review by governing bodies.

134. In terms of partnerships, recurrent costs will support the implementation of the Organization-wide Strategy on Partnerships, implementation of strategies on collaboration within the UN system and with the Rome-based agencies, and the rollout of the private sector and civil society strategies as the work moves on to Regular Programme resources linked with the CFS reform. In terms of operational initiatives, funding will be utilized in collaboration with the other Rome-based agencies in support of the International Alliance Against Hunger and to develop the work on farmers’ organizations.

*Enhanced administrative and management systems***Table 10: 2012-13 estimated IPA costs for enhanced administrative and management systems (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b><i>Enhanced administrative and management systems</i></b>	<b>6.49</b>	<b>7.78</b>	<b>-9.43</b>	<b>-1.65</b>	<b>4.84</b>
Project 9- Reform of Administrative and Management Systems	2.33	2.18	-8.29	-6.11	-3.78
Action 7.6 – New procurement model	0.33	1.40	-0.03	1.37	1.70
Action 7.7 – Develop the registered vendors management					
Action 7.8 – Empowerment of local and regional officers in managing local procurement	0.90		-0.01	-0.01	0.89
Action 7.9 – Transfer of activities to SSC			-0.27	-0.27	-0.27
Action 7.14 – RBA partnerships for procurement with other UN agencies	0.10	0.30	-2.95	-2.65	-2.55
Action 7.15 – Joint procurement initiative - Travel		0.30	-1.97	-1.67	-1.67
Action 7.16 – Define plan for registry	1.00		-2.46	-2.46	-1.46
Action 7.17 – New printing and distribution unit and changes to procedure		0.18	-0.60	-0.42	-0.42
Project 11b- Information Technology	4.16	5.60	-1.14	4.46	8.62
Action 3.90 – Upgrade of ICT infrastructure		5.00		5.00	5.00
Action 7.0 – Strengthen IT governance		0.36	-0.76	-0.40	-0.40
Action 7.11 – Reduce multi functional printers			-0.38	-0.38	-0.38
Action 7.13 – Induction training program for decentralized IT staff		0.24		0.24	0.24
Action 7.25 – Enhance Oracle ERP	3.16				3.16
Action 7.26 – Design of Management Information System	1.00				1.00

135. The thematic area on enhanced administrative and management systems comprises two projects – reform of administrative and management systems and Information Technology.

136. The main thrust of activities in reform of administrative and management systems will be geared towards full implementation of the recommendations of the Root and Branch review, comprising four main areas: procurement, registry, travel and printing and translation services. These initiatives are expected to yield a net saving to the Organization across the biennium in excess of USD 3.7 million.

137. The new procurement model calls for making procurement more strategic and less task-oriented, and increasing the delegation and capacity of the field to deal with procurement locally. Recurrent costs will be incurred to fund international procurement officers outposted in high-volume/high-risk countries; investment costs are required to develop framework agreements for more effective procurement, to develop strategy papers and guidelines, to provide on-site training, and to support local vendor management for the local procurement actions.

138. In the new model for a more strategic procurement service, the transfer of transactional activities to the Shared Services Centre will deliver recurrent costs savings, as will the activities of the Rome Based Agencies Common Procurement Team. The experience with the pilot phase of the Common Procurement Team (CPT) of the Rome-based agencies in 2010 has been very positive. In 2010, the three agencies jointly finalized 18 tenders, mostly for headquarters goods and services, but some which will also benefit the decentralized offices (e.g. computers or Adobe software licenses). The Root and Branch review estimated savings of approximately 3 – 5 percent of the total value of the contracts; to date, experience has shown that the savings rate achieved can be anywhere from 1 percent to 30 percent. The review of travel, the review of registry, and a new printing and distribution facility will also generate savings in 2012-13.

139. Activities in the Information Technology area will require significant funding as they are geared towards delivery of a number of major projects including improvements to the decentralized telecommunications facilities and upgrading the Oracle system in synergy with the IPSAS project.

140. The project to upgrade the ICT infrastructure to decentralized offices has been in progress throughout 2010, with the main achievements being a first wave of bandwidth upgrades, and the deployment of high-definition videoconferencing solutions in regional and subregional offices. The IPA risk assessment identified this project as the one with the most dependencies and the success of the decentralization initiative as a whole is dependent on the deliverables of this IPA action.

141. The enhancement of the Oracle ERP software to the latest version (Release 12) will now be delivered as part of a synergistic update of the ERP system in conjunction with IPSAS, as further explained under the Capital Expenditure section.

*Effective governance and oversight*

**Table 11: 2012-13 estimated IPA costs for effective governance and oversight (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Effective Governance and Oversight</b>	<b>0.20</b>	<b>5.64</b>		<b>5.64</b>	<b>5.84</b>
Project 1- Governing Body Reform	0.20	2.32		2.32	2.52
Project 2- Oversight		3.32		3.32	3.32

142. The thematic area on effective governance and oversight comprises two projects – governing body reform and oversight. The majority of costs in support of governing body reform relate to the increased recurrent translation, interpretation and other support costs arising from the governing body changes agreed and introduced in 2010-11. The 2012-13 figures also include costs involved in evaluating the governing body reforms.

143. The majority of costs in the oversight area also relate to the increased recurrent costs arising from the changes agreed and introduced in 2010-11. The IPA target for Evaluation was to increase the evaluation budget to 0.8 percent of the Regular Programme Budget over two biennia. One-third of this increased target was achieved in 2010-11. It is proposed to not increase the evaluation budget further in 2012-13, but to delay further increases until future biennia. The full impact of the ongoing increase in the evaluation budget, on both management's responsibility to effectively respond to, and act on independent evaluations, and on the governing bodies' responsibility for oversight, still has to take effect and needs to be better appreciated.

*Other management support***Table 12: 2012-13 estimated IPA costs for other management support (USD millions)**

IPA Programme Thematic Area and Projects	Investment Costs	Recurrent Costs	Recurrent Savings	Net Recurrent	Total
<b>Management support</b>	<b>3.18</b>				<b>3.18</b>
Project 16 – IPA Programme Management	2.35				2.35
Project 17 – IPA Communications	0.83				0.83

144. Although not a thematic area, other management support comprises two projects – IPA Programme Management and IPA communications. An internal programme management mechanism, established in October 2010, is functioning effectively, with the IPA Programme Management Board (IPB) meeting on a weekly basis to ensure overall supervision of IPA implementation. Support is provided by the Programme Management Unit (PMU) which assists the IPB with internal IPA governance. This unit works with project leaders to plan the IPA programme, manage the IPA programme budget on behalf of the IPB, ensure project risks are managed, and monitor IPA project expenditures, overall IPA progress and achievements and benefits against project milestones and targets. The costs are one-time costs as the Programme Management Unit is scheduled to disband upon completion of the IPA implementation programme.

145. In IPA communications, 2012-13 will see the continued delivery of communication materials and services, in accordance with the communication plan for FAO Renewal and Reform. In the area of staff communications, activities will be aimed at helping employees at all levels to comprehend the changes taking place around them, view renewal measures in a positive light, and adopt new attitudes, behaviours and practices in line with specific renewal projects. In the area of Members, communications activities will be geared towards greater engagement and feedback, and helping member governments comprehend the change programme, follow its progress, and see clear results.

## **B. HEADQUARTERS STRUCTURE**

### **Background**

146. The IPA called for a comprehensive restructuring of FAO headquarters, to be initiated in 2009 for completion in 2012. Based on close consultation between Members and management in the CoC-IEE, a revised headquarters structure was approved in the PWB 2010-11 and has been implemented. In its Report to the Conference in 2009, the CoC-IEE had noted that the organizational structure would be refined through 2012. This section provides an overview of these refinements. The organigramme for 2012-13 is published in *Annex X* and has the same structure as the previous biennium, with two amendments as noted below.

#### *Apex*

147. With regard to the Apex structure of the Organization, analyses were undertaken in 2010 to clarify the structure, administrative and substantive roles among the Office of the Director-General (ODG), the Deputy Directors-Generals, the ADG Corporate Services, the Office of Strategy, Planning and Resources Management (OSP) and the Office of Corporate Communications and External Relations (OCE). From these analyses, the scope of activities under each Apex office was clarified and senior management reporting lines were elaborated.

148. Pursuant to the findings contained in the report by Ernst & Young on the Apex structure of the Organization (March 2010), a new executive management team (Executive Leadership Team - ELT) was established in January 2010 and meets regularly. The ELT is led by the Director-General as Chief Executive Officer and includes the two Deputy Directors-General, and the ADG/Directeur de Cabinet.

149. In recognition of the importance of corporate communication, as well as strengthened relations with external partners, OCE has implemented a number of changes to maximise the delivery of its objectives and improve efficiencies. In this respect, the Office has consolidated its activities on

content production and rationalized its activities on UN relations, the MDGs, Rome-based collaboration and the IPA partnership project.

150. Given the multiple organizational changes that FAO undertook in 2010, and the extended timeline of the IPSAS project in synergy with the ERP upgrade, the transfer of post-allotment financial forecasting and expenditure performance responsibility from the former Office of Programme, Budget and Evaluation Office (now the Office of Strategy, Planning and Resources Management) to the Finance Division will be delayed until later in the next biennium.

151. An Ethics Officer has been appointed and located administratively in the Legal Office. The new Office of Evaluation operates according to its new Charter approved by Council in May 2010, with a direct reporting line to governing bodies. In order to strengthen management of the IPA programme in response to the risk assessment, the IPA Programme Management Unit has been established as a time-bound unit reporting to the DDG (Operations) as Chair of the IPA Programme Board.

#### *Delaying, teamwork and impact on structures*

152. The delayering initiative, which was launched in the 2008-09 biennium, led to the abolition of a total of forty director-level positions (13 in 2008-09 and 27 in 2010-11) and has been completed smoothly. The restructuring undertaken within the framework of the delayering initiative sought to encourage new approaches in organizational structures and to promote team work in some divisions. By departing from fixed structural entities at the subdivisional level and promoting the emergence of new organizational models, delayering has aided the Organization to embrace several of the guiding principles in its restructuring exercise. Notably, delayering has allowed for the adoption of functional, flexible and flatter organizational structures through the consolidation of units, whilst ensuring manageable spans of control, contributing to the reduction of silos and helping create a more empowered and enabled working environment that is conducive to management by results, delegation and accountability.

153. Team structures deriving from the delayering exercise are being piloted in the Plant Production and Protection Division (AGP) and the Economic and Social Development Department (ES). In those organizational entities, programme management roles are shared between the Division Director (typically D2 level) and the remaining D1 position (now cast in the role of Principal Officer) and the segmentation of multi-programme Services into more discreet and flexible team structures. The new models established in these organizational entities will be considered for adoption in other Divisions and Departments of FAO, taking into consideration the processes followed, lessons learnt and tools developed in support of the pilots.

154. The role of the Organization-wide and Regional Strategy Teams will continue to be strengthened to enable them to effectively coordinate the results-based processes of planning, implementation monitoring and review across organizational boundaries for the Strategic and Functional Objectives and Regional Results. The alignment between cross-cutting issues such as rural development and food security and the organizational structure has been reinforced by the work of the Strategy Teams for Strategic Objectives G and H.

#### *Other changes*

155. As foreseen in the PWB 2010-11, the Shared Services Centre (SSC) coordination unit in Rome has been closed and the functions transferred to the centre in Budapest, including the position of Chief, SSC.

156. The former *Environment, Climate Change and Bioenergy Division* was restructured and renamed to reflect its revised responsibilities and focus of activities as the *Climate, Energy and Tenure Division* (NRC).

## C. DECENTRALIZED OFFICES NETWORK

### *Overview of ongoing and planned changes*

157. Over the last several years, there has been an ongoing effort to establish a decentralized offices (DOs) network suited to the needs of Members. The process of decentralization has accelerated with the start of the IPA. The key actions completed include full involvement of the regional offices in decision-making in policy and programme matters; transfer to the regional offices of the supervision of Regional Technical Officers and FAO Representatives; management of non-emergency TCP resources in the region; increased delegation of authority to DOs in the areas of procurement, human resources, etc. Ongoing actions include full integration of DOs staff in the results-based management system; a review of skills mix in regional and subregional offices to better fit their new functions; increased training; and improvements in ICT systems which will allow better communication and extended use of Web-based corporate systems in DOs.

158. The actions being taken under the IPA are contributing to FAO “functioning as one” to better address the needs and priorities of Members. Benefits include a more cohesive corporate workforce with better integration between headquarters and DOs staff, and a more responsive and efficient DOs network as a result of a higher level of delegated authority.

159. During 2010-11, valuable lessons were learned on the linkages between corporate and decentralized programming. The 2010 sessions of the Regional Conferences served as critical fora for the regions in the evolving corporate prioritization process. The evaluation of FAO’s country programming led the way in setting standards and good practices for prioritizing FAO’s response at country level to both long-term development challenges and short-term emergencies. The country office work planning pilot helped to pave the way to bring FAO’s work at country level into the corporate results-based programming and planning process.

160. In 2012-13 activities with regard to decentralization will aim at completing the related actions under the IPA. This will include a benchmarking system to measure the performance of FAO country offices and provide information on key business processes, to enable Management to identify and act on problems and risks. Work will also be completed on a competency framework for heads of DOs. Support and training to DOs will continue on functions transferred to them, such as those relating to management of TCP and the country offices. Coordination measures to ensure that decentralized offices work together in a coherent and unified manner will be reviewed and improved.

161. The 2012-13 biennium will also see actions in follow-up to Evaluations on emergency operations, capacity development and FAO’s regional and subregional offices in the Near East. In follow-up of the Evaluation on emergency operations, decentralized offices will mainstream preparedness, response and transitions from emergency to development. In order to ensure that capacity development is emphasized a range of activities will be undertaken such as improving technical officers’ competence in capacity development approaches and project design, as well as strategic training targeted for FAORs.

162. Over the course of biennium, efforts will continue to ensure coherent application of FAO’s corporate policies, standards and procedures worldwide. A key instrument will be the creation of functional technical networks that will allow DOs to draw on the full technical, operational and administrative assistance they require; assure effective communication and knowledge exchange arrangements between different disciplines and regions; and support the professional growth of all FAO staff and facilitate staff mobility.

### *Vision on structure and functioning of FAO’s decentralized offices network*

163. Other decentralization activities in 2012-13 will be guided by ongoing discussions by Membership on the *Vision for the structure and functioning of Decentralized Offices*<sup>15</sup>. The “Vision” provides a series of options on structure, operations, staffing and funding which would ensure that FAO has a strong and responsive country-office-centered network that provides timely and effective

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<sup>15</sup> CL 141/15

support to Members by drawing on the technical expertise in subregional, regional and headquarters units, as well as from partners and Members themselves. This will enable FAO, functioning as one, with DOs an integral part of the Organization, to be a world-wide provider of high-quality policy advice, information, support for capacity development and technical services on food and agriculture.

#### *Field visits by Permanent Representatives*

164. Field visits by Permanent Representatives have proved to be extremely useful in allowing Members and governing bodies to familiarise themselves with the work of the DOs. Such visits enable them to get a first-hand impression of the challenges these offices are facing to support countries in their developmental and humanitarian efforts, as well as understand the options and issues for improving the functioning of these offices. Usually, visits are in teams of three to six Permanent Representatives from a mix of regional groups. As in 2010-11, funds will be provided in 2012-13 to cover the incremental costs incurred by the DOs hosting the visits of Permanent Representatives. Based on experience, it is considered that up to four country visits could be handled in the next biennium.

### **D. THE MOVE TOWARD ONE GLOBAL SHARED SERVICES CENTRE**

165. Following approval by the Conference in 2006, FAO established in 2007 a Shared Services Centre (SSC) comprising a centre in Budapest and two hubs in Bangkok and Santiago, with a coordination unit in Rome (the latter was closed from 2010). A guiding principle of the SSC was to consolidate and move a number of “back-office” administrative transactions to lower-cost locations. These are transactions which were considered to be high in volume, routine in nature, based on documented rules and standard procedures, of low strategic importance and which were location-independent.

166. The PWB 2010-11 emphasised that, subject to further detailed review in 2010, savings in the order of USD 1.8 million per biennium could be realized by closing the SSC hubs in Bangkok and Santiago and consolidating the operations in a single global Centre in Budapest<sup>16</sup>. Following a paper presented to the 2010 Regional Conferences on the possibility of consolidating all SSC functions in a global Centre, and pursuant to recommendations made by the Regional Conferences, FAO proceeded with an in-depth review of the functions of the SSC, as well as more general administrative functions.

167. An analysis of the demand for SSC operations by location was performed. It indicated that the Budapest centre was consistently more productive than the hubs in processing “back-office” transactions, with a higher ratio of staff member serviced per SSC staff, which confirmed that economies of scale have been achieved in the centre as planned. In terms of the quality of the services provided, the results of the 2009 SSC Client Survey were analysed, and showed an overall client satisfaction exceeding 70 percent (which is the industry average target) in the Budapest centre and a higher satisfaction rate in the hubs. Transaction turnaround time was also analysed and found to be greater than 24 hours, thus making timezone considerations to complete administrative transactions swiftly less relevant; this observation was supported by the fact that all UN Agencies who have opened SSCs operate from a single global centre (WHO from Kuala Lumpur; UNHCR from Budapest, and UNDP from Copenhagen). Moreover, the FAO SSC Budapest centre already services FAO Emergency Operations worldwide since late 2008.

168. The review recommended a global SSC centre in Budapest and reinforced the original analysis of the selection of Budapest as the preferred location, confirming that the expected benefits have been achieved, and that staff costs remain lower in Budapest than the costs in Bangkok and Santiago.

169. The proposed staffing of the SSC global centre in Budapest is based on an analysis of the current staffing and transaction volumes in the hubs and in Budapest. It involves the establishment of 13 additional general service posts and one additional professional post in Budapest. The SSC hubs in Santiago and Bangkok are reduced by 20 general service posts and 2 professional posts. Since the review ascertained that the SSC hubs in Santiago and Bangkok provide other services, such as

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<sup>16</sup> C 2009/15 paragraph 194



recruitment, performance management, protocol, assistance, etc., which are not provided by the SSC Budapest, one senior GS position was maintained in both Santiago and Bangkok to deal with these front-office activities.

170. The consolidation of the two SSC hubs in Santiago and Bangkok into a global centre in Budapest is reflected in the PWB 2012-13 proposal. The potential savings are estimated at approximately USD 1,940,000 per biennium based on location-specific standard costs<sup>17</sup>. One-time implementation costs are estimated at approximately USD 200,000.

171. Building on an understanding of the broad nature of internal services provided in each region, the review recognized the need to more rigorously identify and organize “front office” administrative and operational functions within each region. Front-office activities include, but are not limited to recruitment, performance management, protocol, assistance. They require local expertise, local language skills, and high interaction with clients and should clearly remain at the regional level. To properly service such front-office functions, the review foresees that each region establish a new Regional Office Programme Support Unit (RPSU). This can be achieved without incurring any net incremental costs, by rearranging the remaining administrative and operational staffing in each regional office.

172. Overall this distinction of functions between back-office and front-office, and the application of the new model through consolidation of back office functions in Budapest coupled with cost-neutral organizational rearrangement in each of the regional offices would bring a number of benefits: economies of scale, standardization of transaction processing, improved management information, reduced points of contact for clients, and improved support to decentralization and future IPSAS processes.

173. In addition to the application of this new model, the review also recommended that consideration be given to establishing one professional Human Resources position in each of the Regional Offices in Accra, Bangkok, Cairo and Santiago, in recognition of the significant delegations to the regions for human resource management following the implementation of several IPA actions.

## **E. INFORMATION TECHNOLOGY STRATEGY AND GOVERNANCE**

174. The Independent External Evaluation and the Root and Branch Review called for improved coherence of the highly fragmented Information Technology (IT) landscape that currently exists across the Organization. This fragmentation arises from a history of isolated IT investments across organizational units resulting in a legacy of systems that are not compatible or integrated with each other; the lack of a holistic IT contribution to a global FAO; and a scattered IT community composed of disjointed IT units embedded in departments and divisions.

175. An IT strategy is a mechanism to guide the allocation of scarce resources in pursuit of priority corporate IT objectives. The definition and endorsement of an organization-wide IT Strategy was considered a major building block in support of implementation of the Organization’s substantive programmes, and a mechanism to support the strategic alignment between IT and Organizational Results within the corporate results-based framework, through an enhanced corporate IT governance.

176. During 2010 a comprehensive exercise was undertaken to develop FAO’s IT Strategy for the period 2012-2019. This was a business-driven process, engaging the managers of the Organization’s substantive and operational programmes, and facilitated by a senior consultant with wide academic and UN experience in this field.

177. The strategy advocates commitment to a single corporate transformation programme in the medium- to long-term, reflecting the explicit goal to ‘Function as One’ also in the area of information technology. The programme incorporates six transformation areas with the following objectives:

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<sup>17</sup> A new methodology of regional standard rates was introduced in 2010-11 to facilitate budgetary planning and management within the same region. Using the regional standard rates, which provide a less accurate reflection of the economic cost of the proposed consolidation of the hubs, savings are estimated at USD 1.4 million per biennium.

1. One corporate framework to develop an integrated approach to planning, controlling, and evaluating IT initiatives throughout the Organization – through the IT governance framework;
2. One administrative environment to foster a more cohesive global administrative work system that meets the needs of all departments, divisions and decentralized offices;
3. One technical environment to support the technical work of the Organization;
4. One global networked (regional) environment to cultivate a globally integrated technology environment that meets the common and shared needs of all decentralized offices;
5. One collaborative environment to create a globally integrated workspace that supports collaborative working and learning throughout the Organization, and with external partners; and
6. One technology community to nurture a global IT community that has the capability and capacity to meet the Organization's needs for IT into the future.

178. The IT strategy implementation will progressively foster a corporate approach to the management of IT resources and development of IT capabilities across the Organization. More detailed elaboration of the framework for strategy implementation will be started in 2012 for completion in 2019. This will include a gap analysis of current IT initiatives *vis-à-vis* the six transformation areas, with a view to align and prioritize key initiatives for the 2012-13 period in the form of an IT-related Organizational Result for *the progressive move towards effective and coherent delivery of FAO information systems, communications and technology investments, strategically aligned across Organizational Results and Core Functions*.

## F. POST CHANGES

179. The PWB 2012-13 staffing proposals reflect the full impact of the decisions on FAO Reform taken to date by the governing bodies and include some additional post action proposals as put forward by departments and offices.

180. *Table 13* provides an overview of the evolution of budgeted posts by location and category from the PWB 2010-11 to the PWB 2012-13.<sup>18</sup>

**Table 13: Evolution of posts (post counts by grade category and location)**

Grade Category	PWB 2010-11	Change			PWB 2012-13	% change from PWB 2010-11
		Shared Services Centre	IPA Implementation	Further Implementation		
<b>Headquarters</b>						
Professional and above	906	0	11	10	927	2.32%
General Service	769	-5	3	9	776	0.91%
<b>Total Headquarters</b>	<b>1,675</b>	<b>-5</b>	<b>14</b>	<b>19</b>	<b>1,703</b>	<b>1.67%</b>
<b>Decentralized</b>						
Professional and above	528	-1	4	-2	529	0.19%
General Service	866	-2	0	21	885	2.14%
<b>Total Decentralized</b>	<b>1,394</b>	<b>-3</b>	<b>4</b>	<b>19</b>	<b>1,414</b>	<b>1.40%</b>
<b>All locations</b>						
Professional and above	1,434	-1	15	8	1,450	1.53%
General Service	1,635	-7	3	30	1,661	1.56%
<b>TOTAL</b>	<b>3,069</b>	<b>-8</b>	<b>18</b>	<b>38</b>	<b>3,117</b>	<b>1.55%</b>

Note: The PWB 2010-11 included 30 outposted headquarters officers in the decentralized post counts. The PWB 2012-13 includes 36 outposted headquarters posts in the decentralized post counts.

<sup>18</sup> Criteria for post counts in the PWB 2012-13 include: 1) posts funded from the Net Appropriation; and 2) posts funded from Other Income (same criteria as in 2010-11).

181. The *Shared Services Centre* column in the table above reflects the creation of a global SSC centre, which consolidates and moves a number of administrative back-office transactions previously handled by the two hubs in Bangkok and Santiago to Budapest. The proposed staffing configuration, based on an analysis of the current staffing and transaction volumes in the hubs and in Budapest, involves the establishment of 13 additional general service posts and one additional professional post in Budapest. The SSC hubs in Santiago and Bangkok are reduced by 20 general service posts and 2 professional posts<sup>19</sup>. In addition, this column reflects further offshoring to the Shared Services Center of 5 general service post functions in the areas of vendor management and recruitment.

182. The *IPA Implementation* column reflects the 15 professional and three general services posts which are established in conjunction with the implementation of IPA activities. The professional and general service posts at headquarters mainly relate to the strengthening of the human resource functions in the areas of recruitment, mobility, policy, and staff development, and also to supporting the resource mobilization and management strategy. The four additional professional posts in the decentralized counts relate to international procurement officers outposted in high-volume, high-risk countries.

183. Under the *Further Implementation* column, the professional post increase at headquarters are in a variety of areas including the strengthening of language services, as called for by the Council; the increasing demands in the South-South Cooperation programme; a dedicated officer for the Secretariat of the Appeals Committee; and legal services.

184. The change in general service post counts occurs mainly at the field level where support functions to the decentralized offices were strengthened, with some reduction under the National Professional Officer category. The net increase at headquarters is mainly related to augmented security personnel and other support staff requirements.

185. Several restructuring initiatives are still ongoing and thus may not be fully reflected in the post counts. Several technical departments are piloting new ways of working to improve their programme delivery and promote management by results across units.

## G. LANGUAGE SERVICES

186. The Council, at its 136<sup>th</sup> Session in June 2009, requested that the funding model for language services be changed from back-charging to central funding. A study was carried out in consultation with Members and a new model developed, which was endorsed by the Finance Committee in October 2010 and approved by the Council in November-December 2010.

187. The agreed measures for improvement of language services aim at enhancing the quality and coverage of translation and interpretation in all the languages of the Organization. Full implementation of the new model might spread over more than one biennium and includes the following activities:

- a) centralized management of translation contracting, with mandatory use of an enhanced central roster;
- b) increased coverage and cost-efficiency of interpretation and translation services;
- c) improved quality of original texts; and
- d) implementation of a Total Quality Management system in the language services.

188. Activities under points b) and d) involve improved working methods for more cost-efficient language services. Activities under a) and c) involve transfer of responsibilities to the Conference, Council and Protocol Affairs Division and will result in the creation of four new positions (two Professional and two General Service posts) to deal with outsourcing of translation and editing of original texts.

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<sup>19</sup> One senior GS position is maintained in both Santiago and Bangkok to provide services such as recruitment, performance management, protocol, assistance, etc. that are not provided by the SSC Budapest.

### *Introduction of Russian as a language of Organization*

189. The Conference, at its 34<sup>th</sup> Session in 2007, approved the adoption of Russian as a language of the Organization<sup>20</sup> and the phased introduction of Russian language services<sup>21</sup>. The first stage in the 2008-09 biennium included: (i) translation into Russian of the main documents for Conference and Council sessions, the Regional Conference for Europe, the sessions of the Committees on Fisheries, Forestry and World Food Security, and the final reports thereof; (ii) provision of interpretation to plenary meetings at Conference and Council sessions and to one Commission during the Conference session, to the Regional Conference for Europe, and to the sessions of the Committees on Fisheries, Forestry and World Food Security; (iii) translation of FAO flagship publications into Russian; (iv) development of the main pages of the FAO Web site in Russian with the assistance of specialists from interested countries; and (v) development of Russian terminology with the support of specialists from interested countries.

190. To meet the costs of the above services, the PWB 2008-09 provided a budgetary allocation of USD 1.7 million, nearly all of which represents recurring costs. The Government of the Russian Federation financed from 2009 a three-year project, in the amount of Euro 1 million per year, to meet the costs of additional Russian translation and interpretation services.

191. During 2010-11 the previous budgetary allocation was increased by USD 250,000 to cover cost for provision of interpretation and translation at Conference (second Commission and Drafting Committees) and Council (Drafting Committees) sessions, as well as at the sessions of the Committee on Commodity Problems and the Committee on Agriculture.

192. The PWB 2012-13 provides a further budgetary allocation of USD 1.22 million to cover translation and interpretation for the sessions of the Finance and Programme Committees, the Committee on Constitutional and Legal Matters, the Codex Alimentarius Commission, the Executive Committee of the Codex Alimentarius Commission, and the Commission on Phytosanitary Measures.

## **H. SAVINGS AND EFFICIENCY GAINS**

193. The Organization has been vigorously pursuing efficiency savings since 1994 through the reduced cost of inputs, process improvements and improved cost recovery measures and has reported on its achievements consistently to the governing bodies. The Independent External Evaluation (IEE) noted that "The Organization and its Members can be credited with recognizing the importance of attaining efficiency savings in FAO administration and technical programmes in order to maximize scarce budgetary resources for technical work."<sup>22</sup> This section provides an overview of the savings and efficiency gains achieved since 1994 and estimated additional savings that have been factored into the PWB 2012-13.

### **Efficiency savings 1994-2011**

194. Efficiency measures implemented since 1994 through 2011 have yielded savings totalling USD 111.9 million per annum, as reported to the governing bodies and set forth in *Table 14*. Over this period, the savings arose from:

- Achieving lower costs of inputs reaching USD 29.7 million per annum;
- Streamlining of administrative and operational support processes totalling USD 34.2 million per annum;
- Selective delayering totalling some USD 20.2 million per annum;
- Progressively adjusting the human resource input mix, totalling USD 13.2 million per annum;
- Increasing the funding base of the Programme of Work through improved cost recovery of extra-budgetary services, yielding USD 14.6 million per annum.

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<sup>20</sup> CR 7/2007

<sup>21</sup> C 2007/3 paragraphs 270-273 and CR 3/2007 paragraph 1.b)

<sup>22</sup> C 2007/1 A.1, paragraph 1222

**Table 14: Major Efficiency Savings Achieved by FAO - 1994 to 2011 (USD million)**

Biennium	Fully Implemented Efficiency Savings by Category	Estimated annual savings
<b>Achieving lower cost of inputs</b>		
Pre-2003	New Partnership Agreements (arrangements such as TCDC, visiting experts, retirees, etc.)	11.0
Pre-2003	Policy change of Entitlement Travel	2.0
Pre-2003	Reduction in communication unit costs	1.0
Pre-2003	Replacement of Country Office International Programme Officers with National Programme Officers	6.0
2004-05	Incentive-driven charge-backs for publications storage and distribution	0.3
2004-05	Joint procurement of electricity with Rome-based agencies	0.2
2004-05	Further reductions in the length of governing body documents and of the Conference and CCP (held back-to-back with COAG)	4.0
2006-07	Automated payment to vendors reducing bank charges	0.2
2008-09	Cost-effective travel services contract and other travel savings	1.0
2008-09	Joint procurement of electricity with Rome-based agencies	0.2
2008-09	Reduction in publication, printing and storage costs	0.4
2008-09	Other lower cost of inputs like Wide Area Network technology update and reduced Microsoft licenses	0.3
2010-11	FAO medical Insurance Plans	0.6
2010-11	Achieving lower costs of inputs, lower travel costs, telecommunications and green initiatives	2.5
<i>Subtotal achieving lower cost of inputs</i>		<i>29.7</i>
<b>Streamlining of administrative and operational support processes</b>		
Pre-2003	Reduction of support staff through office automation	12.0
Pre-2003	Creation of the Management Support Service (MSS)	2.0
Pre-2003	Increased outsourcing of publication and document production and expanded use of locally-based external translators for Regional Conferences	6.0
Pre-2003	Restructuring of Field Programme Operations	5.0
2004-05	Restructuring of the Registries	0.2
2004-05	Transfer of work to the MSS leading to a Reduction in support staff in the Administrative Unit of the Office of the Director-General	0.3
2006-07	Streamlining policy and operations groups in Regional Offices	1.4
2008-09	Further streamlining of policy and operations groups in Regional Offices	0.5
2008-09	Savings from implementation of Shared Services Centre (SSC)	4.0
2008-09	Streamlining of administrative and operational support processes	0.8
2010-11	TCP decentralization and other administrative savings	0.5
2010-11	Document length reduction, lower publication and translation; reduced document storage	1.5
<i>Subtotal streamlining of administrative and operational support processes</i>		<i>34.2</i>
<b>Selective delayering</b>		
Pre-2003	Management arrangements including elimination of assistants to both ADG and division director posts	4.0
2006-07	Selective delayering by eliminating 21 D-level posts and associated support staff	4.5
2008-09	Selective delayering by eliminating 13 D-level posts and associated support staff	1.2
2010-11	Selective delayering by eliminating 27 D-level posts and associated support staff	10.5
<i>Subtotal selective delayering</i>		<i>20.2</i>

Biennium	Fully Implemented Efficiency Savings by Category	Estimated annual savings
<b>Progressively adjusting the human resources input mix</b>		
Pre-2003	Reduction in the average grade of professional posts	5.0
Pre-2003	Decentralization of technical, policy assistance and operations bureaux to Regional Offices	2.0
2006-07	Headquarters restructuring resulting in the abolition of Office of World Food Summit Follow-up and Alliances	0.7
2008-09	Positioning of multi-disciplinary teams in new locations	2.0
2008-09	Reduction in post count and in the average grade of professional posts	2.2
2010-11	Construction of external visitor reception facility	0.1
2010-11	Post downgrading, use of junior professional, etc.	1.2
<i>Subtotal progressively adjusting the human resources input mix</i>		<i>13.2</i>
<b>Increasing the funding base of the Programme of Work through improved cost recovery of extrabudgetary services</b>		
Pre-2003	Increased recovery of costs of technical support services to projects	4.0
2006-07	Increased support cost rates for projects in support of Regular Programme activities	2.5
2006-07	Increased rates for emergency projects from 6.5% to 10%	5.0
2008-09	Increasing the funding base of the Programme of Work through integration of extra-budgetary resources	2.0
2010-11	Cost recovery improvement and increased EB mobilization	1.1
<i>Subtotal Increasing the funding base of the Programme of Work through improved cost recovery of extrabudgetary services</i>		<i>14.6</i>
<b>Annual Total of Efficiency Savings Implemented</b>		<b>111.9</b>

195. Efforts accelerated in the 2006-07 biennium, when the Organization set a typical public sector target for efficiency savings of 1.0 to 1.5 percent per annum and put in motion complex business process and structural changes. Savings of USD 14.1 million per annum were achieved and reported for 2006-07, exceeding the per annum target range. Productivity enhancements also contributed to improving the efficiency of the Organization.

196. In approving the PWB 2008-09, the Conference requested the identification of USD 22.1 million in further savings and efficiency gains to be achieved during the biennium, in addition to the savings of USD 13.1 million already factored into the PWB. Managers applied five approaches to achieve the required further savings, taking into account recommendations by the IEE: achieving lower costs of inputs; streamlining of administrative and operational support processes; selective delayering; progressively adjusting the human resources input mix; and increasing the funding base of the Programme of Work through further extrabudgetary resources.

197. Planning for efficiency savings of 19.6 million in 2010-11 was guided by the experience in 2008-09 and by the outcome of the Root and Branch Review. As requested by the Conference, further efficiency gains of 12.4 million and one-time savings of USD 10.4 million were identified.

198. An Innovation Fund was established to support and reward creative measures that increase the efficiency and effectiveness of delivering FAO's programmes. The Innovation Fund, budgeted at USD 1.4 million per biennium, is intended for use as seed money, to invest where necessary to achieve the savings and increase effectiveness, as well as providing incentives for units that present convincing and innovative proposals. Progress is reported in the Mid-Term Review Synthesis Report 2010.<sup>23</sup>

<sup>23</sup> PC 106/7 - FC 138/6

### Efficiency savings 2012-13

199. Through a concerted effort, efficiency measures have been identified for 2012-13 with a forecasted biennial savings of USD 26.5 million, including the recurrent biennial savings of USD 10.6 million through IPA actions. These pertain to:

- Lower cost of inputs, as defined by the FAO Council at its 110<sup>th</sup> Session as “reductions in the cost of inputs without material negative impact on the outputs<sup>24</sup>”;
- Cost recovery improvements, ensuring that FAO is adequately reimbursed for its services, where appropriate, also in accordance with the expectations of the Council; and,
- Productivity gains, focusing essentially on increases in outputs without increasing the cost of inputs.

#### a) Lower cost of inputs

##### *Administrative and Management Systems*

200. The reform of FAO registries, as recommended by the Root and Branch Review, will improve records management services, while strengthening control of corporate information, through modernization of record-keeping policies, processes, technology and support arrangements. Savings of USD 2.46 million (IPA) per biennium will be achieved through the reduction of registry posts. A new printing and distribution facility will allow savings on stock storage costs, and on-demand printing is expected to result in reduced quantities, with savings estimated at USD 0.60 million (IPA) per biennium.

##### *Travel*

201. Staff and non-staff travel arrangements are under constant review. For example, a pilot of a corporate hotel programme will be initiated, whereby accommodation would be provided to FAO travellers through pre-negotiated agreements. FAO will vigorously pursue other cost saving measures relating to staff travel in conformity with the provisions of the International Civil Service Commission. These initiatives are expected to generate savings of up to 3.27 million per biennium (of which USD 2 million related to IPA).

##### *Human Resources (HR)*

202. While human resources are the Organization’s most important asset, they are also its and largest cost area. Significant savings of USD 1.12 million (IPA) arising from more streamlined procedures in human resources processing will be achieved through a newly defined role for the HR function and review of its competency and accountability framework. Furthermore:

- A freeze in honoraria for non-staff human resources initiated in 2010 is expected to continue to be implemented in 2012-13. The estimated savings in this regard would be in the range of USD 2.8 million per biennium.
- The lowering of the honoraria for UN retirees, a measure introduced in July 2010, is expected to result in avoidance of higher costs of around USD 4.1 million in 2012-13.
- In line with FAO's policy on overtime, measures will be taken to further reduce cash compensation for overtime through a system of active monitoring of overtime payments, which would result in a saving of around USD 1.6 million per biennium.
- FAO worked with the Rome-based agencies to renegotiate the health insurance contract with more favourable terms through 2014 generating estimated savings of USD 0.2 million per biennium. The cost containment initiatives introduced since 2006 are expected to continue contributing to the reduction in the medical costs, with any potential savings determined when the new premium rates for 2012-13 are established.

##### *Procurement*

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<sup>24</sup> CL 110/REP, para. 24

203. It is expected that substantial savings will be generated in the joint tendering of all headquarters-related goods and services implemented under the Common Procurement Team due to greater leverage on the market by the three Rome-based agencies. Savings of approximately USD 0.9 million have been achieved in the first pilot year, most of which will be recurring. Estimated savings in 2012-2013 are expected to reach USD 2.95 million (IPA).

204. FAO will pursue efficiency savings within the procurement function itself through streamlining and unifying procedures, terms and conditions and contracts in collaboration with the other two RBAs. Savings of USD 0.3 million (IPA) per biennium will be achieved when the new procurement model for managing the initial phases of purchasing actions is finalized; the regional and local officers are empowered to manage local procurement; and transactional activities are transferred to Budapest.

#### *Information Technology*

205. Synergies in the development, implementation, maintenance and enhancement of IT requirements will generate savings of approximately USD 0.8 million (IPA) per biennium by reducing duplicative initiatives, as well as lowering the design, development and maintenance costs. Significant savings will be achieved through the re-negotiation of the existing Xerox multifunctional printer contract in the form of reduced standard monthly rental costs, estimated at USD 0.4 million (IPA) per biennium.

206. A training module funded from the Innovation Fund on the use of free open source statistical software for statistical analysis has been developed. A remote survey has identified concrete opportunities for both efficiency and cost savings which could materialize through a scaling up of the project. Other areas of possible savings which are being reviewed include better monitoring of mobile phone usage, particularly roaming charges when travellers are overseas, and lengthening the cycle of desktop and laptop replacement to five years (instead of four years), with central management of replacements.

#### *Publications*

207. A system-based Information Product Planning tool is being developed to help technical originators undertake initial conceptual analysis and take good decisions before commencing production of an information product. The planning tool will establish the contribution of all technical publications to Organizational Results through approved unit result work plans; allow originators to develop a complete proposal, including identification of key messages, determination of primary target audience, and estimation of resource and timing requirements; and provide a comprehensive overview of planned publications.

208. Broad use of the planning tool will have significant potential to generate both efficiency savings and productivity gains in producing FAO publications, which will be quantified with experience. These benefits will include consistency of message content, better language coverage, and a prioritization of those publications that are selected for production. It will be possible to better forecast and manage human resource requirements, thus leading to productivity gains across the publication production process.

#### *Shared Service Center*

209. The savings from the consolidation of the two SSC hubs in Santiago and Bangkok into a global centre in Budapest are estimated at USD 1.9 million per biennium based on location-specific standard costs (*Section II.D*).

#### b) Cost recovery improvements for 2012-13

210. The voluntary contributions managed by the Organization in Trust Funds have increased significantly in recent years. During the 2008-09 biennium, Trust Fund expenditures amounted to more than USD 1 billion and for the first time exceeded Regular Programme expenditures. There are a number of emerging issues and risks presented by this increase in Trust Fund activity, in particular concerning cost recovery of services provided in the delivery of the activities funded by voluntary contributions.



211. The Organization will continue to seek ways of improving recoveries of overhead costs and technical services performed for extrabudgetary-funded projects. Several initiatives are underway, which could produce increased recoveries of USD 4.0 million per biennium, including:

- the issuance of improved Project Budgeting Guidelines that will provide steps for better budget formulation practices to ensure full cost recovery;
- enhanced accounting procedures to facilitate reimbursement of the budget holder and support staff time;
- budgeting of project staff with functions to relieve the budget holder from direct operational and administrative tasks;
- removing impediments to cost recovery, including complex administrative procedures;
- organizing regular training sessions at headquarters and in decentralized offices on support cost policy and its application and on budgeting and recovery mechanisms of administrative and operational service (AOS) costs.

212. The Organization is also reviewing possible direct charges to projects as part of efforts to recover costs that could not be included in the standard project servicing costs (PSC) rate.

213. For example, at headquarters the cost of space occupied by extrabudgetary funded staff and consultants such as housekeeping and utilities (electrical, garbage, power, etc.) is now charged to projects, while in the decentralized offices, the recovery of these types of charges is currently done on an ad hoc basis. A review of the incremental costs incurred at the field level will be made to standardize recoveries, where applicable, using appropriate methodologies in accordance with UN cost recovery principles.

214. Furthermore, the in-house building and architectural office has technical staff and consultants that are providing direct services and support in the design and construction of facilities funded from extrabudgetary resources without due compensation for time accorded to these projects. Costs related to these services could be charged to extrabudgetary-financed activities.

215. In the area of Information Technology, there are specific services provided by CIO for extrabudgetary-funded projects with inadequate reimbursement of cost. With the expanding share of extrabudgetary-funded staff, there is a corresponding increase in required help-service desk support, systems design and development, data centre operations, and server infrastructure. The increase in personal computers and other equipment require client computing support such as configuration of standard workstation and network connectivity, as well as administration and support.

#### c) Expected productivity gains in 2012-13

216. Productivity gains cut across all areas of work. On the administrative side, procedures have been streamlined such as reducing the required time to process payments to suppliers. The increased delegated authority of procuring goods in decentralized offices has allowed reduction of processing time while providing greater flexibility and strengthening accountability. The Business Improvement Unit coordinates and identifies work procedures and processes that could be improved and streamlined, not only for cost savings purposes, but also for enhancing productivity. The planned consolidation of the Shared Services Centre functions in a global Centre would bring a number of benefits: economies of scale, standardization of transaction processing, improved management information, reduced point of contacts for clients, and improved support to decentralization and future IPSAS processes (*Section II.E*).

217. The implementation of enterprise risk management will more effectively identify, prioritize, monitor, and manage risks thereby increasing productivity of existing resources.

218. Several ideas being pursued through the Innovation Fund are expected to result in productivity gains.

- New ways of managing office space are being piloted through the promotion of open space workplaces that will optimize utilization and save costs. This will also pave way to creating

efficiency and better productivity through improved teamwork and collaboration among staff with instant access to team members.

- A prototype version of a planned software to automate the production of e-learning materials has been developed. The full production version of the software will permit its up-scaling to reach similar efficiencies for all e-learning courses being produced by the Office of Knowledge Exchange, Research and Extension in collaboration with FAO's technical divisions.
- The use of open-source technology for the development of a collaborative environment for official document production could lead to a qualitative improvement of documents and reduce the time required for their review and clearance.

### III. Other Key Financial and Budgetary Dimensions

219. This section computes the requirements to fully fund the Programme of Work through assessed contributions by preserving the purchasing power of the proposed *Net Appropriation*. It describes the estimation of cost increases and other incremental changes in moving from the 2010-11 to the 2012-13 biennium.

#### A. ANTICIPATED COST INCREASES

##### Methodology and context

220. The methodology for calculating cost increases in the PWB 2012-13 follows the approach previously approved by the Finance Committee, Council and Conference. The cost increase estimates cover the recosting of Regular Programme inputs from 2010-11 to 2012-13 levels to deliver the Programme of Work, namely for Personnel Services, and Goods and Services. The cost increase estimates are developed on a biennial basis from: actual cost adjustments that are occurring in the current biennium (biennialization); projected adjustments to unit costs that will take effect in the next biennium (inflation); and the lapse factor on established posts.

221. *Biennialization* is the incremental financial effect in 2012-13 of staff cost adjustments that are occurring in the 2010-11 biennium. Biennialization is the consequence of two factors:

- under- or over-budgeted costs in the current biennium (2010-11), that is, where actual staff costs per work month are at variance from the budgetary estimates prepared two years earlier;
- current (2010-11) cost adjustments that took or will take effect at some point during the 2010-11 biennium (whether budgeted or not) that have to be applied to a full 24-month period in the 2012-13 biennium.

222. As such, biennialization objectively reflects the financial impact of events that have already taken place or are expected to take place before the implementation of the 2012-13 budget. Most changes in staff costs implemented during the biennium are the result of recommendations by the International Civil Service Commission (ICSC) approved by the General Assembly of the United Nations. The movements of the US dollar against local currencies in decentralized offices also contribute to biennialization to the extent that they differ from the previous biennium exchange rates. Accordingly, the financial implications of biennialization are essentially a matter of fact and arithmetic, not conjecture or long-range planning.

223. *Inflation* represents the cost impact in 2012-13 of those adjustments that are expected to take effect at various points in the next biennium. Inflation estimates for salaries, pension fund contributions and allowances are derived from the recent external forecasts (Consumer Price Index (CPI), Nominal Wage Indexes, exchange rate by location) by the Economist Intelligence Unit (EIU), published data of authoritative bodies such as the ICSC, and independent verification. Inflation estimates for the current service cost of after-service benefits are based on the latest results of the actuarial valuation for the staff-related liabilities schemes (After-Service Medical Coverage, Terminal Payments Fund, Separation Payment Fund, Compensation Fund). The actuarial valuation is carried out jointly by all Rome-based agencies every year.

##### Overview of cost increase estimates

224. The cost increases for the proposed 2012-13 Net Appropriation have been calculated at USD 48.0 million, which corresponds to a biennial cost increase of 4.8 percent, equivalent to a 3.1 percent annual increase. The estimates update the figures presented to the special session of the Finance Committee in February 2011<sup>25</sup>.

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<sup>25</sup> FC 137/2.4 Preliminary Anticipated Cost Increases

225. Total cost increases are in line with cost increases of previous biennia, as shown in *Table 15*.

**Table 15: Cost increases time series (USD million)\***

Biennium	Total Approved Budget	Of which Total Cost Increases	% of Budget net of CI
2010-11	1,000.5	47.9	5.0%
2008-09	929.8	101.4	12.2%
2006-07	765.7	44.6	6.2%
2004-05	749.1	33.0	4.6%
2002-03	651.8	47.7	7.9%
2000-01	650.0	31.3	5.1%

\* The source of this data is as follows:

2010-11: Conference Resolution 3/2009

2008-09: C2007/3 Table 5 in paragraph 225 and Conference Resolution 3/2007

2006-07: C 2005/3 footnote 29

2004-05: Calculated from Revised PWB table in paragraph 10 (PC91/3 – FC 107/14 – JM04.1/2)

2002-03: Derived from C 2001/3 tables in paragraphs 162 and 197

2000-01: C 99/3 table in paragraph 141

226. The estimated cost increases for 2012-13 are summarised by input category in *Table 16*. Personnel Services account for the vast majority (USD 36.2 million or 4.9 percent) of the total cost increases, including the impact of the change in the lapse factor (USD 1.7 million). Details of the cost increases are explained below by category.

**Table 16: Summary of cost increases under the Net Appropriation in 2012-13 at 2010-11 budget rate of exchange (USD million)\***

	PWB 2012-13 Proposed Net Appropriation at 2010-11 costs	Biennialization	Inflation	Lapse factor adjustment	Cost increases for 2012-13	Percent cost increase (biennial)	Percent of cost increase attributable to each cost component
Personnel Services							
Salaries, Pension Fund Contributions and Allowances	693.4	(1.9)	29.8	-	27.9	4.0%	58%
After Service Benefits	46.0	4.4	2.2	-	6.6	14.3%	14%
Lapse Factor Adjustment	-	-	-	1.7	1.7	-	4%
<b>Total Personnel Services</b>	<b>739.4</b>	<b>2.5</b>	<b>32.0</b>	<b>1.7</b>	<b>36.2</b>	<b>4.9%</b>	<b>75%</b>
<b>Total Goods and Services</b>	<b>269.7</b>	<b>-</b>	<b>11.8</b>	<b>-</b>	<b>11.8</b>	<b>4.4%</b>	<b>25%</b>
<b>Budget level for Net Appropriation and additional requirements</b>	<b>1,009.1</b>	<b>2.5</b>	<b>43.8</b>	<b>1.7</b>	<b>48.0</b>	<b>4.8%</b>	<b>100%</b>

\* The breakdown of the budget by input category as shown in the column entitled "PWB 2012-13 Proposed Net Appropriation at 2010-11 costs" reflects the input mix of the 2012-13 proposal at 2010-11 costs. Figures are rounded to the nearest tenth.

### Personnel services

227. Personnel services comprise all staff costs, including salaries, pension fund contributions, dependency allowances, social security and other staff-related entitlements and after-service benefits for both the professional and general service staff categories. The increases in personnel services costs derive from decisions regarding the UN common system, as reviewed by the ICSC and approved by the UN General Assembly, and other external factors such as prevailing market exchange rates. This last element is particularly relevant for staff costs in decentralized offices where local currencies strengthen against the US dollar. The ICSC increases apply by location and staff category when they occur.

228. Personnel services are estimated to increase by 4.9 percent compared to the previous biennium (or 3.2 percent per year) and account for USD 36.2 million (or 75 percent of the total) of cost increases summarized in *Table 16*. Biennialization accounts for USD 2.5 million (i.e. the incremental financial effect in 2012-13 of staff cost adjustments that are occurring in the current biennium), while inflation is estimated at USD 32.0 million (i.e. the cost impact of adjustments that are expected to take effect from January 2012).

229. Biennialization of USD 2.5 million arose from the combination of the following various factors:

- a) USD 4.4 million of higher than budgeted overall increase in the current service costs of the after-service staff benefits based on the actuarial valuations as at 31 December 2009 and the report as at 31 December 2010, which only became available after the finalization of the 2010-

11 cost increase figures and the calculation of the preliminary amounts presented to the February 2011 Finance Committee<sup>26</sup>. The increase is mainly for the After-service Medical Coverage (ASMC);

- b) an average of factors such as exchange rate effects in decentralized offices affecting the net salary costs for all locations;
- c) a negligible increase for headquarters professional staff costs in 2010 compared to the budgeted increase of 2.0 percent. An increase of 2.5 percent is forecasted for 2011, in line with the budgeted amount and preliminary indications of the results of the recently conducted 2010 Cost-of-Living Survey in Rome. The Advisory Committee on Post Adjustment Questions (ACPAQ) of the ICSC, at its 33<sup>rd</sup> session from 24 to 31 January 2011, reviewed the results of the 2010 Cost-of-Living surveys held at headquarters duty stations. The final results and reports following the Place-to-Place surveys will be submitted to the ICSC at its 72<sup>nd</sup> session, New York, 21 March to 1 April 2011, for the Commission's endorsement. The final figures for all duty stations will only be available as of 1 April 2011 as there could still be some minor changes due to exchange rates, CPI movements and possible increases in the medical insurance premiums;
- d) an increase of 2.1 percent for the general service staff at headquarters in 2010 and a 2.5 percent increase projected for 2011 is consistent with the budgeted amount for both years. The working group to review the general service salary survey methodologies met from 17 to 21 January 2011 and the outcome of this meeting will be presented to the ICSC at its 72<sup>nd</sup> session. The 2010 round of salary surveys for the eight headquarters duty stations has been postponed to 2013;
- e) unchanged pensionable remuneration of the professional category since 2008 and budgeted increase of 2.3 percent in 2011, which is slightly higher than the EIU Average Nominal Wage Index forecast for the USA (2.0 percent). The scale of the pensionable remuneration is revised when the net remuneration of professional staff in New York is updated for the change in the cost-of-living;
- f) lower than budgeted increase for the basic medical insurance plan cost for professional and general service categories mainly attributable to savings arising from various cost containment measures introduced by the Secretariat (no increase in 2010 and 1.5 percent in 2011); and
- g) lower than budgeted entitlement travel costs due to higher than expected savings arising from the unchanged published air fare.

230. Inflationary cost increase of USD 32.0 million is foreseen in 2012-13 for personnel services based on estimates for the various components, including:

- a) an increase of 2.5 percent foreseen for professional and general service staff salaries at headquarters in both 2012 and 2013, in line with the Average Nominal Wage index forecasts for Italy (2.5 and 3.0 percent respectively);
- b) significant inflationary increases projected for professional and general service salaries in decentralized locations, taking into account various factors such as inflation, exchange rate fluctuation and recent past patterns of increases. EIU CPIs and Average Nominal Indexes forecast increases ranging from 2 to 9 percent per annum for 2012-13 for various regions and locations where FAO has a significant presence. For example, inflation rates in Egypt, where FAO has both a regional and subregional office, are forecasted at up to 9.3 percent for 2012 and 8.1 for 2013;
- c) an increase of USD 2.2 million for the after-service staff benefits based on the 31 December 2010 actuarial valuation which became available after the calculation of the preliminary anticipated cost increases presented to the Finance Committee in February, 2011. The increase is mainly for current service costs of After-service Medical Coverage (ASMC);

<sup>26</sup> FC 137/2.4 Preliminary Anticipated Cost Increases

- d) increases of 2.6 and 3.6 percent were applied to pensionable remuneration of professional staff in 2012 and 2013 respectively, in line with the EIU Average Nominal Wage index forecasts for the USA;
- e) a 5.0 percent of annual increase for the medical costs as per the medical inflation in the actuarial valuation;
- f) a 5.0 percent annual increase projected for entitlement travel costs, taking into account as an average the increase in the cost of travel forecasted by the travel industry for the next year at 5 to 12 percent due to the consolidation and re-pricing of air fares; and
- g) an increase of 5.0 percent for the education grant costs based on the past trend and the revision in the level of education grant and boarding cost recommended by ICSC to the UN General Assembly.

231. The FAO governing bodies have been advised that staff costs are difficult to predict despite the refined information systems used to analyse current costs patterns and quantify trends<sup>27</sup> and this leads to variances from the budgetary estimates prepared in advance of the budget implementation. Any variance must be managed within the budgetary appropriation for the biennium, requiring programme adjustments during the implementation cycle to manage these unbudgeted costs, and adjustments are reflected under biennialization for the following biennium.

### **Goods and services**

232. Total Goods and Services include other human resources, travel, general operating expenses, furniture, equipment, and present an estimated inflation of USD 11.8 million, equivalent to a 4.4 percent increase in the biennium (or 2.9 percent increase per year). EIU's forecasted CPI for Italy (1.8 and 2.1 percent for 2012 and 2013, respectively) is applied to headquarters' expenditures, and CPI for the world (3.0 and 3.2 percent for 2012 and 2013, respectively) to non headquarters' expenditures.

233. Trends and decisions that could impact the estimated cost increases will continue to be monitored and any significant changes to the cost increase assumptions and estimates will be reported to the governing bodies prior to the Conference in June 2011.

### **Lapse factor**

234. The lapse factor is a reduction of the budgetary provision for the estimated cost of established posts to account for the fact that some of them will be vacant for some time as a result of staff movements. The lapse factor methodology, approved by the Council at its 107<sup>th</sup> Session, is based on three aspects:

- staff turnover rates, as measured through separations;
- standard recruitment times; and
- the extent to which separations are foreseen, so that recruitment action can be anticipated and the effective lead time thus reduced.

235. In accordance with the established methodology, a five-year moving average (i.e. 2006 through 2010 inclusive) has been applied to calculate staff turnover rates. This results in an average turnover rate of 6.73 percent for professional staff and 6.21 percent for general service staff. Compared to the five-year moving average used in the PWB 2010-11, the turnover rate has decreased for professionals by 0.12 percent and increased for general service by 0.19 percent.

236. The standard recruitment lead times applied are as follows: professional - 42 weeks or 0.81 years; and general service - 25 weeks or 0.48 years.

237. The extent of separations which can be foreseen is derived from a review of the reasons for separation, the results of which are summarised below.

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<sup>27</sup> FC 113/10 Treatment of Staff Cost Variance

**Table 17: Extent to which Recruitment Action can be Foreseen**

Category of Separations	Professional		General Service	
	% of Population	No. of weeks foreseen	% of Population	No. of weeks foreseen
Foreseen separations (e.g. mandatory retirements)	51%	42 weeks or more	33%	25 weeks
Foreseen separations for a limited period (e.g. resignations with notice)	37%	12 weeks	48%	8 weeks
Unforeseen separations	12%	0 weeks	19%	0 weeks

238. These results have been applied to calculate the 2012-13 lapse factor of 2.09 percent for professional and 1.55 percent for general service costs respectively. Compared to the percentages used in 2010-11, the lapse factor decreased for both the professional and general service categories (from 2.41 percent and 1.65 percent, respectively) as more separations were foreseen during this period.

239. The new lapse factor increases staff costs by USD 1.7 million. It results from the change in the percentages from 2010-11 to 2012-13 applied to all locations except country and liaison offices. For those offices, the Conference approved in 2009 the removal of the lapse factor adjustment.

240. *Annex XII* provides an overview of the proposal by Organizational Result before and after cost increases.

## **B. ELEMENTS FOR IMPROVING FAO'S FINANCIAL HEALTH, LIQUIDITY AND RESERVES**

### *Overview of Balances on General and Related Funds*

241. The financial health of the Organization can be appraised in relation to three components of the General and Related Funds as follows:

- a) the **General Fund** which reflects the accumulated historical result of all assessments on Members, miscellaneous and other income, offset by cumulative expenditures to execute the Programme of Work;
- b) the **Working Capital Fund (WCF)** which is authorized at a level of USD 25.7 million. In accordance with Financial Regulation 6.2, the primary purpose of the WCF is to advance monies to the General Fund to finance expenditures pending receipt of assessed contributions to the budget. The WCF can also be used to finance emergency activities not contemplated in the budget;
- c) the **Special Reserve Account (SRA)** was established by Conference Resolution 27/77 in 1977 and expanded by Conference Resolutions 13/81 and 17/89 and further guidance from Conference in 2005<sup>28</sup>. The SRA protects the Programme of Work against the effects of unbudgeted extra costs arising from adverse currency fluctuations and unbudgeted inflationary trends. The SRA can also advance monies on a reimbursement basis to the General Fund. From 2010 only foreign exchange differences on cash transactions are recorded in the SRA<sup>29</sup>. Although authorized at a level of 5% of the effective working budget (this would be equivalent to USD 44.6 million in the 2010-11 biennium), the SRA has not been replenished since 1991.

<sup>28</sup> C2005/REP para. 101

<sup>29</sup> CL 140/21 para. 11



242. The balances on General and Related Funds as at 31 December 2010 (unaudited)<sup>30</sup> are summarized as follows:

**Table 18: General and Related Funds as at 31 December 2010**

	(USD million)
General Fund (deficit)	(566.5)
Working Capital Fund	25.6
Special Reserve Account	19.8
<b>Total General and Related Funds (deficit) at 31 December 2010</b>	<b>(521.1)</b>

243. The net balance on total General and Related Funds at 31 December 2010 represents a decrease of USD 548.5 million when compared with the fund balances at 31 December 1997, the date when the Organization last reported a positive fund balance of USD 27.4 million. The main factors which have contributed to this decrease are summarized as follows:

**Table 19: Total General and Related Fund Deficit as at 31 December 2010**

	(USD million)
<b>Total General and Related Fund Surplus as at 31 December 1997<sup>31</sup></b>	<b>27.4</b>
Decrease in Provisions for Contributions	135.3
Unfunded Past Service Costs for ASMC and TPF	(668.7)
Unbudgeted Expenditures	(59.3)
Other surpluses/deficits 1998-2010 (net)	44.2
<b>Total General and Related Fund Deficit as at 31 December 2010</b>	<b>(521.1)</b>

*Decrease in provisions for contributions*

244. Prior to 2006-07, the Organization's policy was to record a provision against 100% of the outstanding amount of Contributions Receivable from Member Nations until such time as they were collected. Beginning in 2006-07 the Organization revised its policy such that a provision is recorded against these assessments only under exceptional circumstances when the assessment is not considered collectible. The decrease in this provision from the end of December 2007 to the end of 2010 resulted in an improvement in the General Fund balance of USD 135.3 million.

*Unfunded past service costs for ASMC and TPF*

245. In the period since 1997 the Organization has progressively recorded an increased value of the past service liability associated with the After Service Medical Coverage (ASMC) Plan and the Terminal Payment Fund (TPF) as determined by the external actuarial valuation. The net cumulative impact on the General Fund deficit of recognition of the past service liability in excess of the additional assessments made for funding these liabilities during this period has been USD 668.7 million<sup>32</sup>, as at end 2010.

246. As of 1 January 2008, the Organization adopted the policy of utilizing the "corridor" method to recognize actuarial gains and losses. Under this method, actuarial gains and losses that exceed

<sup>30</sup> FC 138/2

<sup>31</sup> C99/5 page 5

<sup>32</sup> Total unfunded liabilities reported at 31 December 2010 were ASMC of USD 764.0 million and TPF of USD 60.8 million. These balances also include unrecorded actuarial losses of USD 306.3 million not yet charged against the General Fund offset by the allocation of Long-Term Investments assets set aside to fund the liabilities.

10 percent of the value of the actuarial liability are deferred and recognized over the expected average remaining working lives of the employees participating in the plan, which is currently estimated from 9.4 to 11.4 years. Of the total amount of USD 306.3 million deferred at 31 December 2010, USD 268.0 million relates to ASMC; USD 37.9 million relates to TPF; and, USD 0.3 million relates to SPS. With the introduction of IPSAS, it is expected that the corridor method will be discontinued with the immediate recognition of all gains and losses. Should the amounts deferred at 31 December 2010 be recorded in the financial statements, the General Fund deficit would increase by the equivalent amount of USD 306.3 million.

#### *Unbudgeted expenditures*

247. In the period since 1998, unbudgeted expenditures totalling USD 59.3 million have not been matched with funding and have contributed to a deterioration of the total General and Related Fund deficit:

- a) Conference Resolutions 7/97 and 3/99 authorized the Director-General to meet redeployment and separation costs over and above the net budgetary appropriations approved for 1998-99 and 2000-01 respectively. The related costs of USD 10.6 million<sup>33</sup> and USD 8.4 million<sup>34</sup> were charged to the General Fund.
- b) Payments in excess of the amounts determined by the actuarial valuation for the Terminal Payments Fund (TPF) amounting to USD 9.4 million<sup>35</sup> in 2002-03; USD 2.9 million in 2004-05<sup>36</sup>; and USD 8.2 million in 2006-07<sup>37</sup>, were charged to the General Fund without matching funding.
- c) Unbudgeted current service costs of USD 13.4 million<sup>7</sup> for ASMC were charged to the General Fund without matching funding in 2006-07;
- d) A charge of USD 6.4 million<sup>7</sup> was made against the Special Reserve Account in 2006-07 for a portion of the unforeseen headquarters general service salary increase.

248. There has been an improvement in the total assessments outstanding balance with both an improved rate of payment of assessed contributions and a significant reduction in the level of outstanding arrears during 2010. At the same time, Regular Programme liquidity requirement has reached USD 45 million per month. With the current level of cash reserves representing less than one month's expenditure, the Organization continues to remain vulnerable to the timing of payments by major contributors.

#### *Requirements to stabilize the General Fund deficit*

249. As reported in prior biennia, unless significant measures are adopted by the governing bodies to address unfunded liabilities, the accumulated deficit under the General Fund will continue to deteriorate. This section quantifies the requirements to at least stabilise the General Fund deficit by addressing recurring unfunded liabilities (past service liability of ASMC and TPF) as reflected in the Organization's accounts.

250. As summarized in *Table 20*, the incremental funding required in 2012-13 for stabilizing the General Fund deficit amounts to USD 47.4 million. The governing bodies have already provided positive guidance that the ASMC past service liability of USD 36.9 million should be funded, however the actual mechanisms for such funding have yet to be determined in the context of the PWB 2012-13. Explanations are provided below for both of the elements listed in the table.

<sup>33</sup> C2001/5, page 14, note 11

<sup>34</sup> C2003/5, page 10, note 10

<sup>35</sup> C2005/5A, page 12, note 10

<sup>36</sup> C2007/5A, page 12, note 9

<sup>37</sup> C2009/5A, page 7, footnote 6

**Table 20: Incremental requirements to stabilize the General Fund deficit**

<b>Elements for improving FAO's accumulated General Fund deficit</b>	<b>Incremental funding in 2012-13 (USD million)</b>
Recurring requirements for staff related liabilities:	
Funding ASMC past service liability	36.9
Funding TPF past service liability	10.5
<b>Total recurring incremental funding requirements for staff related liabilities</b>	<b>47.4</b>

*Funding After-service Medical Coverage past service liability*

251. The ASMC past service liability represents the Organization's share of the cost of medical insurance claims that it is required to pay on behalf of retirees over their expected remaining lifetimes based on their past services with FAO. It should be distinguished from current service cost<sup>38</sup>, which is a standard component of staff costs and is covered in each biennium's Regular Programme budgetary appropriations.

252. FAO's ASMC past service liability has never been met from the budgetary appropriations or the Programme of Work. Whilst the PWB provides funding for the current service costs (i.e. the amounts which will be earned by staff members during the current biennium), there is only a partial funding mechanism to fund that part of the liability earned by staff members in prior periods (i.e. the past service liability). Beginning with the 2004-05 biennium the Conference approved separate additional assessments on Members towards funding the ASMC past service liability. The Finance Committee has recognized that biennial assessments of USD 14.1 million towards ASMC past service funding, as first approved by Conference in November 2003, remain far short of the biennial funding required to fully fund the liability by 2040 using the 30-year amortization period starting from 2010.

253. At its 126<sup>th</sup> Session in May 2009, the Finance Committee recalled Council's advice to address these obligations in the longer term by pursuing strategies to ensure that significant liabilities of the Organization are fully funded. Furthermore, at its 132<sup>nd</sup> Session in April 2010 the Committee acknowledged that additional funding towards the ASMC liability was required and agreed to make its recommendation to Council for increased biennial assessments within the context of the PWB 2012-13 recognizing the contribution of active staff participants over time.

254. Based on the 2010 actuarial valuation, the unfunded ASMC liability at 31 December 2010 totalled USD 764.0 million. As detailed in *Table 21*, the incremental biennial funding required is USD 36.9 million in accordance with the principle established by the November 2005 Council of "recommending funding at the same level prescribed by the latest actuarial valuations in future biennia".

<sup>38</sup> The current service cost arises each year as active staff members provide their services in exchange for these benefits to be paid in the future.

**Table 21: Funding options for ASMC past service liability**

	Per 2010 Actuarial Valuation
Amortization Period	30 years
Target Year	2040
	<b>(USD million)</b>
Funding required for 2012-2013 <sup>39</sup>	51.0
Current biennial funding	(14.1)
<b>Incremental funding required</b>	<b>36.9</b>

255. As with any long-term actuarial projection, there is inherent uncertainty relating to the ultimate cost of the plan. Deviations from the valuation assumptions could result in changes to the final liability and future required contributions<sup>40</sup>.

*Funding Terminal Payments Fund past service liability*

256. Termination Payments are the end of service payments including accrued annual leave, repatriation grant, termination indemnities, and cost of repatriation travel that will arise when staff members separate from the Organization. The liability at any point of time reflects an actuarial estimate of amounts earned by existing staff members.

257. Whilst the PWB provides funding for the current service costs (i.e. the amounts which will be earned by staff members during the current biennium), there is no funding mechanism to fund that part of the liability earned by staff members in prior periods (i.e. the past service liability). This unfunded past service liability has never been met from the budgetary appropriations or the Programme of Work. The past service liability would, therefore, need to be addressed in the same manner as ASMC past service liability.

258. Based on the 2010 actuarial valuation, the unfunded TPF liability totalled USD 60.8 million. As detailed in *Table 22*, the incremental funding required is USD 10.5 million. Presently there is no funding mechanism for the TPF and the governing bodies have not yet provided positive guidance on this issue. Cash outflows in excess of the funding provided in the PWB for TPF current service costs presently generate a structural cash deficit in the General Fund, pending establishment of a funding approach for this liability.

**Table 22: Funding options for TPF past service liability**

	Per 2010 Actuarial Valuation
Amortization Period	15 years
Target Year	2025
	<b>(USD million)</b>
Funding required for 2012-2013	10.5
Current biennial funding	0
<b>Incremental funding required</b>	<b>10.5</b>

*Requirements to address liquidity shortages*

259. Whilst recognizing significant improvements in the receipt of Regular Programme contributions in 2010, FAO remains vulnerable to the timing of payments of major contributions. The WCF and SRA were established to provide safety nets for the Regular Programme budget against cash shortages and unbudgeted extra costs respectively. The current level of both reserves is insufficient to

<sup>39</sup> Funding requirements recognizes the cross-subsidy of retiree medical claims costs by active staff member contributions (refer FC132/3 paras. 17-19) and the Organization's matching payments for these active staff.

<sup>40</sup> An external firm performs an actuarial valuation of the plan on an annual basis to update the estimate of the overall liability and funding requirement.

cover even one month of spending of the Organization. This section quantifies the amounts to be considered for a one-time replenishment of the WCF and SRA reserves.

260. As summarized in *Table 23*, the incremental funding required to address liquidity shortages amounts to USD 95.5 million. The governing bodies have already provided positive guidance<sup>41</sup> regarding the replenishment of the SRA in the amount of USD 6.4 million. Explanations are provided below for each of the elements listed in the table.

**Table 23: Incremental requirements to address liquidity shortages**

Elements for improving FAO's liquidity	Incremental funding in 2012-13 (USD million)
One-time requirements for replenishment of reserves:	
Working Capital Fund	64.3
Special Reserve Account:	
- 2006 General Service Salary increase	6.4
- 5% of the total effective working budget of the Organization	24.8
<b>Total one-time requirements for building up reserves</b>	<b>95.5</b>

#### *Replenishment of Working Capital Fund*

261. The Organization's recourse to external commercial borrowing to cover liquidity shortfalls during 2005, 2006 and 2007 was preceded by the full utilization of the Working Capital Fund (WCF), plus any available balance of the Special Reserve Account. For many years the level of these reserves has provided an insufficient safety net to prevent recourse to borrowing. The Finance Committee has been previously advised that to cope with operating cash requirements in the face of delays in Members' contributions, the WCF would need to be increased to an amount equivalent to about two months of Regular Programme cash outflow (currently USD 90 million) through a one-time assessment on Members.

262. The current authorized level of the Working Capital Fund of USD 25.7 million is insufficient to cover even one month of cash outflow. Preservation of the WCF at its current level means there is a risk of external commercial borrowing to deliver the approved Programme. A one-time assessment on Members of USD 64.3 million to bring the WCF to USD 90 million is considered desirable, as it would provide a superior safety net prior to recourse to borrowing.

#### *Replenishment of Special Reserve Account*

263. In the context of the implementation of IPSAS requirements, the Organization carried out a review of the function, purpose and accounting treatment of the SRA and the findings were presented to the Finance Committee in its 135th session<sup>42</sup>. It was noted that the balance of the Special Reserve Account declined from USD 18.9 million at 31 December 2009 to zero as at 30 June 2010 due mainly to the translation of Euro-denominated balances in the accounts into the Organization's US Dollar reporting currency. The Finance Committee endorsed the proposal<sup>43</sup> to restore the SRA to its cash-backed value by transferring Euro-to-dollar translation differences (non-cash) directly to the General Fund.

264. Incremental funding required to replenish the SRA amounts to USD 31.2 million. Explanations are provided below for both of the elements, namely the 2006 general service salary increase paid from the SRA and the 5% of the total effective working budget of the Organization, that make up this amount.

<sup>41</sup> FC 115<sup>th</sup> session and Council 131<sup>st</sup> session

<sup>42</sup> FC1 135/2 Annex I

<sup>43</sup> CL 140/21 para. 13

### *2006 General service salary increase paid from the SRA*

265. The 2009 Conference<sup>44</sup> recalled that, following endorsement of proposals submitted by the Director-General to the Finance Committee and Council, the Special Reserve Account (SRA) had been drawn down by USD 6.4 million in 2006 in order to charge a portion of an unforeseen and unbudgeted general service (GS) salary increase at headquarters on the understanding that the SRA would be replenished by the same amount. The Conference recalled that at its Thirty-fourth Session in November 2007, it adopted a Resolution to defer the replenishment of the SRA to its Thirty-fifth (Special) Session in November 2008, which subsequently deferred the matter to the 2009 Conference. The Conference regretted that, despite the necessity of replenishing the SRA by the amount drawn down in 2006, it was again unable to consider such replenishment at the 2009 Session. It decided that replenishment of the Special Reserve Account should be re-presented, through the PWB 2012-13, to its Thirty-seventh session in 2011. Accordingly, replenishment of the SRA is requested in the amount of USD 6.4 million in order to restore the cash used to cover the charge for the GS salary increase in 2006.

### *5% of the total effective working budget of the Organization*

266. Conference Resolution 13/81 specifies that the SRA should be maintained at a level equivalent to 5 percent of the total effective working budget of the Organization. The previous replenishment of the SRA by special assessment on Member Nations was authorized by Conference in 1991 (Resolution 16/91), for an amount of USD 28 million. It is desirable to replenish the reserve to its authorized level through a one-time special assessment with the level of the assessment dependent on the latest balance of the SRA and on the approved budget level. Given there will be an estimated cash balance of USD 19.8 million left on the SRA by the end of the 2010-11 biennium, this would result in an assessment in the order of USD 24.8 million to fully replenish the SRA up to 5 percent of the working budget (based on 2010-11 approved budget figures).

## **C. SUMMARY REQUIREMENTS**

267. This section provides an overall view of: the funding requirements to execute the 2012-13 Programme of Work under all sources of funds; the funding requirements to tackle the financial health, liquidity situation and reserves; and how these cumulative funding requirements would impact on future financial commitment of Members.

268. This PWB presents an integrated view of total resource requirements to carry out the Programme of Work directly linked to the MTP, in the form of assessed contributions and voluntary contributions, as summarized in *Table 24*.

### *Net Budgetary Appropriation – Assessed Contributions*

269. The starting point is the 2010-11 net appropriation budget level of USD 1000.5 million. The 2010-11 one-time savings of USD 10.4 million have been reinstated and allocated to high-priority areas, including CFS, the FAO water platform, IPPC, nutrition, legal services, awareness raising, Russian language coverage, and decentralized office ICT connectivity (*Section I.B*). As clarified by the Conference in 2009, while both unidentified further efficiency savings and one-time savings needed to be achieved, the distinction was that the former required measures to attain recurring savings in 2010-11 and thereafter, while the latter should comprise initiatives aimed at realising one-time, fortuitous savings only in the 2010-11 biennium<sup>45</sup>.

270. *Section II.A* (IPA) describes the development of the financial plans for the IPA for 2012-13 and the main activities comprising the 2012-13 programme. The net amount proposed for 2012-13 is USD 37.8 million, which includes the full estimated savings stemming from the Root and Branch review of USD 10.6 million. The 2012-13 net IPA budget represents a decrease of USD 1.8 million from the level included for the IPA in the 2010-11 net appropriation.

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<sup>44</sup> C2009/REP para. 125

<sup>45</sup> C 2009/REP, para. 126

271. Cost increases are estimated at USD 48.0 million to maintain purchasing power. They consist of USD 34.5 million for staff costs, USD 11.8 million for non-staff costs, and USD 1.7 million for lapse factor adjustments.

272. The total proposed net Budgetary Appropriation level to be funded from assessed contributions would be USD 1,057.1 million, a 5.7 percent increase over the 2010-11 net Budgetary Appropriation.

#### *Voluntary Contributions*

273. In line with the integrated budget approach endorsed in the IPA, the results-based Programme of Work includes estimated requirements for two types of voluntary contributions totalling USD 1,393.0 million.

- a) *Core Voluntary contributions* of USD 237.2 million, for estimated project and non-project core voluntary contributions in direct support of the Programme of Work;
- b) *Other voluntary extra-budgetary contributions* of USD 1,155.8 million comprising support to the field programme and assistance to Member Nations estimated at USD 477.3 million and emergencies at USD 678.5 million.

**Table 24: Cumulative Funding Requirements in 2012-13 for the Programme of Work (in USD millions, at the 2010-11 budget rate of exchange of 1 Euro = USD 1.385)**

<b>Programme of Work</b>	<b>Amount</b>
<b>Requirements under the net appropriation work programme</b>	
Budgetary requirements at 2010-11 cost levels	1,000.5
Re-allocation of one-time savings	10.4
Incremental requirements - IPA	(1.8)
Incremental requirements - Cost Increases	48.0
<i>Net budgetary appropriation for 2012-13</i>	<i>1,057.1</i>
Percent change in net appropriation	5.7%
<b>Requirements under the extra-budgetary work programme</b>	
Core Voluntary	237.2
Support to Field Programme/Assistance to Member Nations	477.3
Emergencies	678.5
<i>Total requirement under Voluntary Contributions</i>	<i>1,393.0</i>
<b>Total integrated Programme of Work in 2012-13</b>	<b>2,450.1</b>

#### *Improving financial health, liquidity and reserves*

274. As requested by the Finance Committee and in line with past PWBs, two sets of measures are considered desirable to stabilise the General Fund deficit and avoid liquidity shortages, which would need to be funded from assessed contributions, as follows:

- a) recurring incremental requirements to address staff-related liabilities, amounting to USD 47.4 million:
  - After-service Medical Coverage (ASMC) of USD 51.0 million. This represents an incremental amount of USD 36.9 million over the funding level of USD 14.1 million approved since the PWB 2004-05; and
  - a first-time provision for the Terminal Payments Fund (TPF) past-service liability of USD 10.5 million

- b) one-time replenishment of the Organization's safety nets, ranging from USD 70.7 million to USD 95.5 million:
- the Working Capital Fund of USD 64.3 million, and
  - the Special Reserve Account in the range of USD 6.4 million (replenishment only for the GS salary increase paid in 2006-07) to USD 31.2 million (full replenishment).

275. The total incremental funding level to expeditiously improve FAO's financial health in 2012-13, as outlined in paragraph 274 above ranges from USD 118.1 to USD 142.9 million.

*Impact on assessments of cumulative funding requirements under the programme of work*

276. As in past biennia, the assessed contributions in 2012-13 will be based on the biennial net appropriation plus any other agreed funding to restore the financial health of the Organization. The impact on assessments of the net appropriation funding requirements is outlined below.

277. In calculating Members' assessed contribution, Financial Regulation 5.2(a) foresees that the resolution on the Budgetary Appropriation should include a deduction for estimated Miscellaneous Income. The Miscellaneous Income estimate for 2012-13 is set at the same level as in 2010-11, USD 5.0 million.

278. The overall 2012-13 funding requirement for the budget funded from assessed contributions amounts to USD 1,052.1 million, representing a 6.0 percent increase in the level of net appropriation assessments compared with the present biennium, as summarised in *Table 25*.

**Table 25: Net appropriation assessments (USD million at the 2010-11 budget rate of exchange of 1 Euro = USD 1.385)**

	PWB 2010-11	2012-13 Funding requirements for budget
Budgetary requirements at 2010-11 cost levels		1,000.5
Re-allocation of one-time savings		10.4
Incremental requirements - IPA		(1.8)
Incremental requirements - Cost Increases		48.0
<b>Net budgetary appropriation for implementing the Programme of Work</b>	<b>1,000.5</b>	<b>1,057.1</b>
Miscellaneous Income deduction	(5.0)	(5.0)
Carry-over deduction	(2.5)	-
<b>Assessed contributions from Members</b>	<b>993.0</b>	<b>1,052.1</b>
<b>Increase in assessments in 2012-13 vs. 2010-11</b>		<b>59.1</b>
<b>Percent increase in assessments vs. 2010-11</b>		<b>6.0%</b>

279. Under the split assessment methodology adopted by Conference Resolution 11/2003<sup>46</sup>, assessments are due in US dollars and Euros, in accordance with the estimated expenditures in each of these currencies.

280. *Table 26* reflects the overall impact on assessments of the proposed 2012-13 budget, compared with the approved US dollar and Euro contributions for 2010-11. It demonstrates that the increase in assessments of 6 percent comprises a 19.9 percent increase in US dollar assessments and a 4.4 percent decrease in Euro assessments. The US dollar portion of the estimated expenditures in

<sup>46</sup> Financial Regulation 5.6 refers



2012-13 for implementing the Programme of Work rises compared with 2010-11, based on an analysis of past expenditure by currency type.

**Table 26: Assessed contributions from Members in 2010-11 and 2012-13**

Biennium	Funding Level for	USD million at 1 Euro = USD 1.385	USD million	Euro million
2010-11	Implementation of Programme of Work	1,000.5	431.6	410.8
	- Less Miscellaneous Income / Carry-over	(7.5)	(7.5)	0.0
	<b>Total Assessments paid by Members in 2010-11</b>	<b>993.0</b>	<b>424.1</b>	<b>410.8</b>
2012-13	Implementation of Programme of Work funded from assessed contributions	1,057.1	513.3	392.7
	- Less Miscellaneous Income	(5.0)	(5.0)	0.0
	<b>Total Assessments proposed to Members in 2012-13</b>	<b>1,052.1</b>	<b>508.3</b>	<b>392.7</b>
	Percent difference from 2010-11	6.0%	19.9%	-4.4%

281. The above budget figures have been calculated at the budget rate of exchange of the 2010-11 biennium, i.e. Euro 1 = USD 1.385.

282. As per established practice, the budget rate of exchange for the 2012-13 biennium was set according to the rate at the time this document was going to print of Euro 1 = USD 1.36. This results in a decline in the proposed net appropriation for implementing the programme of work, from USD 1,057.1 million to USD 1,047.3 million, when expressed in the Organization's functional currency, the US dollar. It is recalled that the assessed split contributions in Euros and US dollars do not vary under different exchange rate conditions. This is demonstrated in *Table 27* by applying the funding requirements of the programme of work for 2010-11 tabulated above at the revised Euro/USD exchange rate of Euro 1 = USD 1.36. The estimated US dollar portion of the expenditures for implementing the programme of work under the new budget rate of 1.36 is established at 49 percent with the remaining 51 percent in Euro.

**Table 27: Impact of the change in the budget rate of exchange under split assessment (USD/Euro million)**

	Euro 1 = USD 1.385	Euro 1 = USD 1.36
Assessments due in US dollars for 2012-13 programme of work	USD 513.3	USD 513.3
Assessments due in Euro for 2012-13- programme of work	Euro 392.7	Euro 392.7
Assessed contributions due in US dollars	USD 513.3	USD 513.3
Assessed contributions due in Euro and expressed in US dollars at two distinct budget rates of exchange	USD 543.9	USD 534.0
<b>Total expressed in US dollars</b>	<b>USD 1,057.1</b>	<b>USD 1,047.3</b>

\*Before miscellaneous income deduction of USD 5 million which is estimated 100% in US dollars

**DRAFT RESOLUTION FOR ADOPTION BY THE CONFERENCE***Draft Budgetary Appropriations 2012-13***THE CONFERENCE,**

**Having considered** the Director-General's Programme of Work and Budget;

**Having considered** the proposed total net appropriation of USD 1,057,136,000 for the financial period 2012-13 at the 2010-11 rate of Euro 1= USD 1.38 which assumes US dollar and Euro expenditure equal to USD 513,269,000 and Euros 392,683,000;

**Having considered** that the above net appropriation is equivalent to USD 1,047,318,000 at the budget rate of Euro 1 = USD 1.36 established for 2012-13 after translation of the Euro portion;

1. **Approves** the Programme of Work proposed by the Director-General for 2012-13 as follows:

- a) Appropriations are voted at a rate of Euro 1 = USD 1.36 for the following purposes:

	<b>USD</b>
Chapter 1: A - Sustainable intensification of crop production	60,616,000
Chapter 2: B - Increased sustainable livestock production	39,466,000
Chapter 3: C - Sustainable management and use of fisheries and aquaculture resources	68,936,000
Chapter 4: D - Improved quality and safety of food at all stages of the food chain	32,341,000
Chapter 5: E - Sustainable management of forests and trees	52,295,000
Chapter 6: F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	71,177,000
Chapter 7: G - Enabling environment for markets to improve livelihoods and rural development	47,040,000
Chapter 8: H - Improved food security and better nutrition	91,451,000
Chapter 9: I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	9,020,000
Chapter 10: K - Gender equity in access to resources, goods, services and decision-making in the rural areas	16,399,000
Chapter 11: L - Increased and more effective public and private investment in agriculture and rural development	40,508,000
Chapter 12: X - Effective collaboration with Member States and stakeholders	235,040,000
Chapter 13: Y - Efficient and effective administration	113,923,000
Chapter 15: Technical Cooperation Programme	116,795,000
Chapter 16: Contingencies	600,000
Chapter 17: Capital Expenditure	26,589,000
Chapter 18: Security Expenditure	25,122,000
<b>Total Appropriation (Net)</b>	<b>1,047,318,000</b>
Chapter 19: Transfer to Tax Equalization Fund	103,331,000
<b>Total Appropriation (Gross)</b>	<b>1,150,649,000</b>

- b) The appropriations (net) voted in paragraph (a) above include an amount of USD 37,840,000 to fund the implementation of the Immediate Plan of Action (IPA), comprising an estimated amount of USD 21,230,000 for net recurring costs and

USD 16,610,000 for investment costs. The appropriations (net) voted in paragraph (a) above minus estimated Miscellaneous Income in the amount of USD 5,000,000 shall be financed by assessed contributions from Member Nations of USD 1,042,318,000 to implement the Programme of Work.

- c) Such contributions shall be established in US dollars and Euro and shall consist of USD 508,269,000 and Euro 392,683,000. This takes into account a split of 49% US dollars and 51% Euro for the appropriations (net) and of 100% US dollars for Miscellaneous Income.
  - d) An additional amount of USD xxx, as per the Actuarial Valuation as at 31 December 2010, shall also be financed by assessed contributions from Member Nations to fund the After-service Medical Coverage (ASMC) past service liability. The contributions shall be established in US dollars and Euro, taking into account a split of 33% US dollars and 67% Euro, and shall therefore amount to USD yyy and Euro zzz.
  - e) The total contributions due from Member Nations to implement the approved Programme of Work and to fund the amortization of ASMC shall amount to USD xxx and Euro yyy. Such contributions due from Member Nations in 2012 and 2013 shall be paid in accordance with the scale of contributions adopted by the Conference at its Thirty-seventh Session.
  - f) In establishing the actual amounts of contributions to be paid by individual Member Nations, a further amount shall be charged through the Tax Equalization Fund for any Member Nation that levies taxes on the salaries, emoluments and indemnities received by staff members from FAO and which are reimbursed to the staff members by the Organization. An estimate of USD 8,500,000 has been foreseen for this purpose.
2. **Encourages** Members to provide voluntary contributions to facilitate implementation of the unified Programme of Work under the Results Framework.

(Adopted on .....July 2011)

## IV. Results Frameworks and 2012-13 Resource Allocations

### A. STRATEGIC OBJECTIVES

#### STRATEGIC OBJECTIVE A – SUSTAINABLE INTENSIFICATION OF CROP PRODUCTION

##### Strategic Objective A (in USD 000 at 2010-11 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
A01	19,169	1,565	27,218	91	28,874	48,044
A02	19,537	15	10,608	10,015	20,638	40,175
A03	9,913	422	2,321	10	2,752	12,665
A04	9,831	571	110,391	99,277	210,240	220,070
<b>Total</b>	<b>58,450</b>	<b>2,573</b>	<b>150,538</b>	<b>109,393</b>	<b>262,504</b>	<b>320,954</b>

##### Issues and Challenges

Increasing crop productivity and quality, based on science-based sustainable practices, is critical to improved resource use efficiency, food security, rural development, and livelihoods. Of the global arable land, about 1.4 billion hectares are used for crop production and 2.5 billion hectares are used for pasture. Together, they provide most of the world's food, feed and fibre. While the world is projected to need twice as much food for 9.2 billion people in 2050 as it did in 2000, it must address the declining availability of land (land *per caput* will decrease from 4.3 hectares in 1961 to 1.5 hectares in 2050), lower crop productivity growth (annual growth rate of major cereals will decrease from 3 to 5 percent in 1980 to about 1 percent in 2050), stresses from climate change (higher intensity and incidence of droughts, floods and pests), and eroded ecosystem services. There is also a demand for increased variety, quality and safety of agricultural products, driven by urbanization and rising incomes.

Especially in light of current global issues such as population growth and climate change, providing an adequate supply of food of requisite quality will depend on more efficient and resilient production systems using good farming practices that make efficient use of the natural resources base, coupled with an enabling policy and institutional framework. Sustainable livelihood, food safety and value-chain approaches need to underpin the increase in productivity and diversification.

To address these challenges, the Strategic Objective promotes crop production intensification using the ecosystem approach, including technical and policy assistance in four key dimensions:

- Increasing **agricultural productivity** through improved use of resources to achieve higher yields while promoting the sustainability of the farming systems and progressing from subsistence farming to market-oriented agriculture, supported *inter alia* by conservation agriculture and integrated nutrient management.
- Enhancing sustainable **crop protection** through Integrated Pest Management (IPM), and through the implementation at national level of globally agreed instruments such as the International Plant Protection Convention and the Rotterdam Convention to minimise pest problems, misuse of pesticides, and environmental pollution.
- Managing **biodiversity and ecosystem services**, through identification and use of mechanisms for valuing agricultural biodiversity and ecosystem services, in addition to sound agronomic practices (crop, soil, nutrient and water efficient management); and
- Strengthening **livelihoods** using the benefits of increased productivity and diversification within the value chain, including through providing the conditions for access to good agricultural practices and knowledge, quality seeds, post-harvest and agro-processing technologies, food safety systems, markets and credit.



## Organizational Result A1 - Policies and strategies on sustainable crop production intensification and diversification at national and regional levels

### Lead Unit: AGP

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>A1.1</b> New or enhanced national or regional policies, strategies or programmes on sustainable crop production intensification or diversification, including responses to climate change	To be determined for sustainable crop production intensification and on crop diversification	10 countries with policies or strategies on sustainable crop production intensification 8 countries with policies, strategies or programmes on crop diversification	<i>3 countries with policies/strategies/programmes on sustainable crop production intensification</i> <i>2 countries with policies, strategies or programmes on crop diversification</i>
<b>A1.2</b> Intergovernmental fora, including Committee on Agriculture (COAG) and Commission on Sustainable Development (CSD), provide guidance for the sustainable intensification of crop production	COAG and CSD	COAG and CSD	<i>COAG and CSD</i>
<b>A1.3</b> Number of countries with policies, programmes, strategies or projects to test, document and adopt practices that manage agricultural biodiversity and ecosystem services and preserve biodiversity.	3	8	4

### Primary Tools for achievement of the Organizational Result

1. Technical advice to policy makers that promotes the integration of sustainable crop production in a wider food security and nutrition perspective.
2. Framework for sustainable crop production intensification through the ecosystem approach that includes guiding principles, checklists and case studies for use in developing policies, programmes and projects.
3. Guidance documents and technical assistance on assessing the economic, social and environmental sustainability of crop production intensification.
4. Capacity building, training, information dissemination and awareness creation, through guidelines, manuals and methodologies.
5. Strategies for crop diversification and production, including introduction of new and adapted technologies (e.g. for horticultural crops, urban and peri-urban agriculture, forage, etc.).
6. Improved use of existing information and intergovernmental platforms, fora, networking and knowledge management tools.
7. Baseline measurements and monitoring of rangelands and grassland to enhance food security and promote climate resilient development.
8. Farming systems analysis, guidelines and project support on linking farmers to markets.
9. Nuclear strategies in food and agriculture.
10. Production and utilization of timely and reliable information and statistics related to crop production.

## Organizational Result A2 - Risks from outbreaks of transboundary plant pests and diseases are sustainably reduced at national, regional and global levels

### Lead Unit: AGP

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>A2.1</b> Adoption by the Commission on Phytosanitary Measures (CPM) of new or revised International Standards for Phytosanitary Measures (ISPMs), supplements, annexes, phytosanitary treatments and diagnostic protocols and appropriate implementation of international standards by developing countries	45 international standards 55 developing countries appropriately implement international standards	57 international standards Standards implemented appropriately in 65 developing countries	<i>51 international standards Standards implemented appropriately in 60 developing countries</i>
<b>A2.2</b> Percentage of desert locust affected countries and those affected by major non-locust transboundary plant pests receiving forecasts and other information including control strategies	100% of locust-affected countries and 10% of those affected by major non-locust transboundary plant pests	100% of locust-affected countries and 60% of those affected by major non-locust transboundary plant pests	<i>100% of locust-affected countries and 30% of those affected by major non-locust transboundary plant pests</i>
<b>A2.3</b> Number of national contingency plans developed for specific pest and disease threats other than desert locust, including weeds and woody plants	0	12	2
<b>A2.4</b> Number of countries applying preventive locust control systems or area-wide integrated application of the Sterile Insect Technique and other nuclear applications.	9 countries for locusts 12 countries use nuclear applications to control fruit flies and moths	24 countries for locusts 15 countries using nuclear applications	<i>12 countries for locusts 13 countries using nuclear applications</i>

### Primary Tools for achievement of the Organizational Result

1. Delivery of agreed Secretariat functions to support implementation of the International Plant Protection Convention (IPPC) and the Regional Commissions for the Control of Desert Locusts.
2. Technical advice and guidance to policy makers that promote the integration of plant protection into sustainable crop production in a wider food security perspective.
3. Framework for sustainable plant protection programmes through the implementation of the IPPC and the use of international standards.
4. Capacity building, information dissemination and awareness creation, through guidelines, manuals and methodologies.

5. Providing, and making better use of, a neutral forum and information exchange, including as a key element of the global phytosanitary system of governance for trade.
6. Baseline measurements of national capacity building needs and the development of an international framework to facilitate the implementation of ISPMs.
7. Collaboration on contingency planning and early warning for transboundary pests and diseases especially through EMPRES and IPPC frameworks.
8. Development and transfer of nuclear techniques to contribute to the management of plant pests and diseases as part of an integrated approach.
9. Livelihood vulnerability measures through vulnerability data from various sources such as FAO Global Information and Early Warning System on Food and Agriculture (GIEWS), WFP Vulnerability Analysis and Mapping (VAM), USAID Famine Early Warning System (FEWS) and Food Insecurity and Vulnerability Information and Mapping System (FIVIMS) for affected countries.
10. Mechanisms to ensure effective collaboration and risk communication, inter-agency collaboration and coordination among countries and regions on prevention and control of transboundary pests and diseases.
11. Operational instruments, tools and resources in key administrative support areas of finance, procurement and logistics, and human resource management to deliver emergency operations efficiently.
12. Production and utilization of timely and reliable information and statistics related to crop production and pests and diseases.

### Organizational Result A3 - Risks from pesticides are sustainably reduced at national, regional and global levels

#### Lead Unit: AGP

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>A3.1</b> Number of countries having adopted measures to improve the life cycle management of pesticides aimed at reducing risks to human health and the environment	10	30	20
<b>A3.2</b> Countries improving regulatory control of the distribution and use of pesticides in accordance with international codes and conventions	10	30	20
<b>A3.3</b> Countries establishing or expanding Integrated Pest Management programmes to reduce reliance on pesticides	20	60	40
<b>A3.4</b> Number of countries that join the Rotterdam Convention on the Prior Informed Consent Procedure for	128 contracting Parties in 2009. Many contracting Parties that are developing countries have yet to	140 countries have joined the Rotterdam Convention 20 developing	<i>134 countries have joined the Rotterdam Convention 10 developing countries have taken measures to implement the Rotterdam</i>



<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
Certain Hazardous Chemicals and Pesticides in International Trade or take measures for its implementation	take measures to implement the Rotterdam Convention	countries have taken measures to implement the Rotterdam Convention	<i>Convention</i>

#### **Primary Tools for achievement of the Organizational Result**

1. Delivery of agreed Secretariat functions to support implementation of the Rotterdam Convention and the FAO/WHO Joint Meetings on Pesticide Residues in Food (JMPPR), Pesticide Specifications (JMPS) and Pesticide Management (JMPPM).
2. Technical guidelines for the implementation of the Code of Conduct and for dealing with pest and pesticide management under emergency situations.
3. Special initiative developed and operational to reduce the use of highly hazardous pesticides in countries.
4. IPM Programmes established or strengthened to reduce reliance on pesticides.
5. Practical guidance available on monitoring pesticides in the environment and their effect on human health to guide policy and action.
6. Capacity building, training, information dissemination and awareness creation through guidelines, manuals and methodologies.
7. Establishment of an improved pesticide management system and triangulation of pesticides in emergencies.
8. Programmes and projects to assist countries in the quantification, risk reduction, elimination and prevention of obsolete pesticide stocks and acute contamination from pesticides.
9. Strategies, technical advice and policy guidance to countries on integrated approaches to pest and pesticide management in line with the International Code of Conduct on the Distribution and Use of Pesticides, the Rotterdam Convention and other international instruments.
10. Programmes and projects to build capacity at regional, national and farming community level promoting an integrated approach to pest and pesticide management.
11. Regional collaboration and harmonization of approaches, including South-South Cooperation in the implementation of international instruments and standards, as well as better use of existing information, intergovernmental platforms, fora, and knowledge management tools.
12. Production and utilization of timely and reliable information and statistics on pesticides.

#### **Organizational Result A4 - Effective policies and enabled capacities for a better management of plant genetic resources for food and agriculture (PGRFA) including seed systems at the national and regional levels**

##### **Lead Unit: AGP**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>A4.1</b> Number of countries joining the International Treaty on Plant Genetic Resources for Food and Agriculture (IT-PGRFA), or adopted national regulations for its implementation	121 Contracting Parties (2009) Most Contracting Parties do not have national regulations in place for implementation of the IT-PGRFA	130 countries have joined the IT-PGRFA 10 countries adopted national regulations/ policies	<i>125 countries have joined the IT-PGRFA 5 countries adopted national regulations/policies</i>
<b>A4.2</b> Number of countries that have developed national PGRFA	10 developing countries 55 National	17 developing countries 73 countries update	<i>12 developing countries 64 countries update NISMs for monitoring GPA</i>

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
strategies/policies and national information sharing mechanisms (NISM) to reinforce the links among conservation, plant breeding and seed systems, in conformity with the Global Plan of Action for the Conservation and Sustainable Utilisation of Plant Genetic Resources for Food and Agriculture (GPA-PGRFA)	Information Sharing Mechanisms (NISM) for monitoring implementation of GPA-PGRFA	NISMs for monitoring GPA implementation	<i>implementation</i>
<b>A4.3</b> Number of countries that have technical capacities and information on conservation, plant breeding, seed systems, biotechnology-biosafety and nuclear techniques, and number of subregions that have harmonised and endorsed seed-related regulatory frameworks	0 1 subregion	10 countries 3 subregions	<i>5 countries 2 subregion</i>
<b>A4.4</b> Number of countries that have programmes at community level for management of PGRFA and seed production on-farm to respond to climate change and related risks and challenges	0	10	5

### **Primary Tools for achievement of the Organizational Result**

1. Delivery of agreed Secretariat functions to support the implementation of the IT-PGRFA including preparation and delivery of guidance and support to the achievement of the work programme adopted by the governing body.
2. Policy advice and technical assistance to the current and updated GPA-PGRFA through the Working Group on PGRFA of the Commission of Genetic Resources for Food and Agriculture (CGRFA); facilitate implementation and monitoring of the GPA-PGRFA, including as it relates to relevant international instruments.
3. Technical support to the development and implementation of integrated programmes on conservation and sustainable use, including seed systems, at regional and national levels.
4. Generation, management and dissemination of knowledge, data, tools, technologies for national and regional capacity building in conservation, plant breeding, seed systems development and related inter-disciplinary areas.
5. Technical assistance and guidance to communities, smallholders and farmers to sustainably manage crop diversity and seed systems.
6. Strengthen partnerships and alliances with relevant organizations to ensure informed decision-making and implementation of best practices for PGRFA management for sustainable crop production.

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**STRATEGIC OBJECTIVE B –  
INCREASED SUSTAINABLE LIVESTOCK PRODUCTION**

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**Strategic Objective B (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
B01	10,288	861	11,007	19,042	30,909	41,197
B02	13,514	6,853	2,371	90,061	99,285	112,799
B03	8,052	277	266	151	694	8,745
B04	5,785	151	91	83	326	6,111
<b>Total</b>	<b>37,639</b>	<b>8,142</b>	<b>13,736</b>	<b>109,337</b>	<b>131,214</b>	<b>168,853</b>

**Issues and Challenges**

The livestock sector currently provides 43 percent of global agricultural output in value terms. The anticipated continued expansion of the demand for animal products will require substantial improvements in resource use efficiencies, accelerated development and adoption of appropriate technologies.

The global livestock sector is characterised by a growing dichotomy between (i) livestock kept by large numbers of smallholders and pastoralists, and (ii) intensive large-scale commercial livestock production. While traditional livestock systems contribute to the livelihoods of 70 percent of the world's rural poor, increasing numbers of large-scale operations with sophisticated technology, based on internationally-sourced feed and animal genetics, cater for the rapidly growing markets for meat, milk and eggs, and midsize family farms risk to be squeezed out of expanding formal markets.

Animal disease emergence and spread, including pathogens that spill over from animals to humans (zoonoses), are very closely linked to changes in production environments and to increased interactions among livestock and wildlife with animal agriculture expanding into natural habitats.

A serious consequence of the spread of large-scale production and of the pressures on traditional small-scale livestock keeping is the loss of animal genetic diversity. Latest figures show that 20 percent of documented breeds are at risk of extinction.

Livestock occupy one-fourth of the global terrestrial surface as grazing land, and the sector which claims one-third of global crop land for feed grain production, contributes to, but is also affected by grain price trends. As competition for land grows, costs of animal feed, water, energy and labour are increasing, and extensive pasture-based livestock production is being affected by climate change and socio-economic pressures.

The vigorous growth of the livestock sector, its increasing importance for food security and human nutrition and health, and its rapid structural changes require careful governance by the international community. Considering the very substantial positive and negative impacts of the sector on social, environmental and public health targets, comprehensive information on the livestock sector in the context of overall agricultural and rural development is considered crucial for sector guidance.

There are viable opportunities to alleviate many of the risks associated with the expanding livestock sector and to develop its full potential. Increased productivity will enable more efficient use of scarce inputs and natural resources. Advances in animal breeding, nutrition and husbandry, and in the prevention and control of animal diseases will increase productivity and improve animal welfare while reducing the risk of the emergence of zoonotic diseases. This will require generation and adoption of new technologies, as well as institutional development, including improved intersectoral collaboration (e.g. One Health concept) supported by an enabling policy and regulatory environment.

Increased sustainable livestock production is also dependent on up-to-date and reliable information and statistics to underpin the development process and to ensure that it is supported by relevant and appropriate policies.

**Assumptions and Risks**

- Assumption that the demand for substantially more good quality and safe animal products (which are increasingly processed) will continue to be vigorous. The role of the livestock



## Organizational Result B1 – The livestock sector effectively and efficiently contributes to food security, poverty alleviation and economic development

**Lead Unit: AGA**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>B1.1</b> Number of countries implementing FAO-advised measures to enhance the efficiency and productivity of their livestock sector	30	50	35
<b>B1.2</b> Number of natural disasters and man-emergencies assisted with livestock related responses.	N/A	30	15

### Primary Tools for achievement of the Organizational Result

1. Livestock sector assessment and analysis that inform and influence policy, development assistance, public-private sector partnerships and investment decisions affecting the livestock sector.
2. Guidance and capacity building (guidelines, manuals, information and reviews) covering aspects of animal husbandry (nutrition, feeds, breeding, welfare, identification) that improve the productivity, encourage innovation, mitigate against adverse environmental changes and increase the sector's contribution to livelihoods and food security.
3. Guidance and capacity building (guidelines, manuals, information and reviews) covering the handling, marketing, regulation and processing of animal products to increase efficiency within the off-farm value chains, to reduce losses and provide safer products.
4. Relief and rehabilitation response to natural disasters and man-made emergencies which have an impact on vulnerable livestock keepers.

## Organizational Result B2 - Reduced animal disease and associated human health risks

**Lead Unit: AGA**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>B2.1</b> Number of the most significant animal and zoonotic, food- and vector-borne diseases covered by the FAO/OIE/WHO Global Early Warning System (GLEWS) platform on animal / zoonotic diseases (domestic terrestrial and aquatic animals, wildlife)	12	All significant terrestrial and aquatic animal and zoonotic diseases (as identified / updated by GLEWS and derived from criteria set-up in the Terrestrial and Aquatic Animal Health Codes and the International Health Regulations (IHR 2005))	<i>Most terrestrial and aquatic animal and zoonotic diseases (as identified/ updated by GLEWS and derived from criteria set-up in the Terrestrial and Aquatic Animal Health Codes and the International Health Regulations (IHR 2005))</i>
<b>B2.2</b> Number of developing and transition countries implementing national / regional action, facilitated and supported by FAO for prevention	30	74	50

Indicator	Baseline	Target (end-2013)	Target (end-2011)
and control of priority animal / zoonotic diseases (domestic terrestrial and aquatic animals, wildlife)			

#### Primary Tools for achievement of the Organizational Result

1. Timely information, disease intelligence, forecasting and early warning, detection of animal and zoonotic disease threats through the EMPRES-i information database to provide data and analysis to the FAO/OIE/WHO Global Early Warning and Response System (GLEWS) (domestic terrestrial and wildlife).
2. Methods and tools (guidelines, manuals, databases), strategies, policies, instruments, and decision support for the recognition, detection, prevention, control and elimination of animal, zoonotic, food-borne and vector-borne diseases and for risk communication (includes CMC-Animal Health and ECTAD in response to animal disease emergency events); mainstreaming multidisciplinary approaches to disease management (including contribution to One Health approach, i.e. domestic animal, wildlife, human and ecosystem health).
3. Analysis of national animal health systems and support to national and regional (country cluster approach) capacity building at technical, institutional, policy and regulatory levels on early warning, detection, prevention, preparedness, risk communication, inter-agency collaboration, coordination and control of animal, zoonotic and food-borne diseases at the production level and in marketing food chains, specialist networking (including reference centres) and partnership arrangements.

#### Organizational Result B3 - Better management of natural resources, including animal genetic resources, in livestock production

##### Lead Unit: AGA

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>B3.1</b> Number of countries implementing actions to mitigate the impact of livestock on environment and climate change	5	22	10
<b>B3.2</b> International agreements in which FAO's role in animal genetic resources and livestock-environment issues is recognised	None	CBD/UNFCCC post-Kyoto	<i>CBD/UNFCCC recognizing FAO's normative role and responsibility in GRFA / post-Kyoto negotiations on agriculture, including livestock</i>
<b>B3.3</b> Number of developing and transition countries implementing national strategies and action plans (based on Global Plan of Action) for the improved management and conservation of animal genetic resources	9	40	10

### Primary Tools for achievement of the Organizational Result

1. Databases and analytical frameworks for the assessment of livestock-environment interactions, including climate, biodiversity, habitat use, water resources and nutrient fluxes, and the screening of related technology, institutional, regulatory and policy options for reducing the environmental impacts of the sector, strengthening positive externalities and adapting to climate change.
2. Policies, guidance and strategies, including payment for environmental services for improving natural resource use efficiency in livestock production, enabling livestock sector adjustment to changing environmental conditions, and mitigation of environmental impacts and climate change,
3. Support to countries in the implementation of the Global Plan of Action on Animal Genetic Resources<sup>47</sup> through: information and knowledge management, development of tools and guidelines, maintenance of a Clearing House Mechanism (Domestic Animal Diversity Information System DAD-IS), advocacy and capacity-building; leading the implementation of the Funding Strategy; and assistance to countries in institutional, policy and legal development.
4. Advice on AnGR-related issues to the Commission on Genetic Resources for Food and Agriculture (CGRFA) including through the Intergovernmental Technical Working Group on Animal Genetic Resources for Food and Agriculture (ITWG-AnGR).

### Organizational Result B4 – Policy and practice for guiding the livestock sector are based on timely and reliable information

#### Lead Unit: AGA

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>B4.1</b> Status of COAG negotiation of Voluntary Guidelines for livestock sector guidance or Code of Conduct for a Responsible Livestock Sector	No negotiations	COAG report on negotiations (subject to positive COAG decision)	<i>COAG decision whether to negotiate Voluntary Guidelines or Code of Conduct</i>
<b>B4.2</b> World Livestock – flagship publication	World Livestock 2011	World Livestock (publication 2013)	<i>World Livestock (publication 2013)</i>

### Primary Tools for achievement of the Organizational Result

1. Assembling information and supporting analysis on suggested COAG-led design and negotiation of livestock sector-relevant framework agreement (e.g. Voluntary Guidelines for livestock sector guidance / Code of Conduct for a Responsible Livestock Sector), in synergy and harmony with relevant international agreements and instruments; and advised by technical consultations with a wide range of stakeholders along the livestock value chain.
2. Supporting analysis for a flagship publication (“World Livestock 20xx”, first edition in 2011) to enable continuous information / guidance of the Livestock Sector.
3. Developing and maintaining comprehensive livestock sector information platform to inform and influence decision-makers in both the public and private sectors, including livestock sector statistics

<sup>47</sup> Terrestrial animal species only (excluding aquatic animals)

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**STRATEGIC OBJECTIVE C -  
SUSTAINABLE MANAGEMENT AND USE OF FISHERIES  
AND AQUACULTURE RESOURCES**

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**Strategic Objective C (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
C01	22,297	10,098	397	161	10,656	32,954
C02	14,075	11,915	8,182	84	20,181	34,256
C03	7,635	10,685	16,865	45	27,595	35,231
C04	12,262	749	1,924	143	2,816	15,079
C05	4,574	2,800	3,166	12,050	18,016	22,589
C06	5,665	3,363	3,396	68	6,828	12,493
<b>Total</b>	<b>66,509</b>	<b>39,611</b>	<b>33,930</b>	<b>12,552</b>	<b>86,092</b>	<b>152,601</b>

**Issues and Challenges**

The fisheries and aquaculture sector plays a critical role in human nutrition, the fight against hunger, food insecurity and poverty and more generally in economic development. The demand for fish and fish products will continue to grow. Meeting this growing demand will require recovery, where necessary, and stabilization of existing supplies, coupled with increasing development of sustainable aquaculture. Effective management and conservation of fisheries and aquaculture resources and ensuring the conservation of aquatic biodiversity and the health and productivity of ecosystems supporting fishery resources and fish production, are essential to that end and are called for by the Code of Conduct for Responsible Fisheries (CCRF).

The current state of world capture fisheries is far from optimal as reported in the *State of World of Fisheries and Aquaculture* (SOFIA) released in January 2011. The 2010 report on progress towards achieving the Millennium Development Goals concluded that while some progress has been made, improvements in the lives of the poor have been unacceptably slow and that some of the progress that had been achieved is being lost through the climate, food and economic crises<sup>48</sup>. There continues thus to be an urgent need for the promotion of good governance, practices and regulatory action in relation to fisheries and aquaculture at global, regional and national levels, particularly those based on the principles and standards contained in the CCRF and related instruments. Relevant institutions must be strengthened to achieve good fisheries governance and other stakeholders in the sector need to be joined as partners to achieve this goal.

In the case of capture fisheries, the problems of fleet overcapacity and illegal, unreported and unregulated (IUU) fishing continue to challenge the international community. Inland resources and ecosystems are particularly prone to adverse impacts from a variety of human activities.

There is limited potential for growth of global catches of wild fish stocks and it is expected that aquaculture will contribute to meeting the increasing demand for fish and fish products. Aquaculture currently provides about half of the fish used for human consumption. Sustainable development of the sector faces two challenges: the urgent need for appropriate technologies and avenues to increase aquaculture production in many developing countries; and the broad demand for improving resource use efficiency and management and protection of the environment.

An important issue is the co-existence, in relation to both capture fisheries and aquaculture, of large-scale, industrial sub-sectors and small-scale sub-sectors. The latter employ more than 90 percent of all people who work in fisheries and aquaculture, communities for which artisanal fishing or small-scale aquaculture represents a major contribution to food security and livelihoods. Integrated policies and improved management tools are necessary to address the specific needs of both sub-sectors.

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<sup>48</sup> From "The Millennium Development Goals Report" 2010. Available at: [http://unstats.un.org/unsd/mdg/Resources/Static/Products/Progress2010/MDG\\_Report\\_2010\\_En.pdf](http://unstats.un.org/unsd/mdg/Resources/Static/Products/Progress2010/MDG_Report_2010_En.pdf)



A multi-pronged approach is required to enable FAO Members and regional fishery bodies (RFBs) to take the actions necessary to facilitate enhanced responsibility and to meet international obligations, especially when implementing international instruments that seek to improve fisheries governance. In addition, they will need well-trained staff and adequate financial resources. Assistance and capacity building in these fields are essential.

There are major challenges facing the improvement of information and data on the status and trends of fisheries and aquaculture for use as a sound basis for policy-making, management and sectoral planning. In particular, artisanal fishing and small-scale aquaculture are often under-represented or sometimes even totally neglected in official statistics, which can lead to a failure to give them appropriate recognition in multi-sectoral policy decisions and actions. Inland fisheries as a whole are also a serious problem in this regard. The Committee on Fisheries (COFI) has adopted complementary Strategies for capture fisheries and for aquaculture to address these challenges. Active implementation of the Strategies is now needed at global, regional and national levels. This will require a major focus on capacity building and partnerships with emphasis on the integration of information and data utilizing common standards.

Other challenges which continue to require attention include: the need for adaptation to the impacts and mitigation of climate change, including the increasing frequency of natural disasters and the consequent need for adequate response to emergencies and improvement of disaster preparedness; other environmental threats and concerns; the impacts of rising input costs in both the fisheries and the aquaculture sectors, including fuel price volatility, the need to reduce fuel dependency and to achieve increased efficiency; the increasing influence of the retail sector and use of market instruments and certification to promote sustainability and responsible trade; the general deterioration of aquatic ecosystems through multi-sectoral human impacts, both in the marine environment and in inland waters; the role of biodiversity in ensuring resilience and productivity of ecosystems; animal diseases in aquaculture; and the vulnerability of all those dependent on fisheries and aquaculture and are therefore impacted by all of these challenges, especially small-scale fishing communities and aquaculture farmers.

### **Assumptions and Risks**

- Assumption that all States give high priority to the implementation of the Code of Conduct for Responsible Fisheries (CCRF).
- Assumption that countries are committed, demonstrate the political will and have the capacity, or the will to develop that capacity, to improve governance and management in the fisheries and aquaculture sectors through strengthened regulatory and institutional frameworks at the national, regional and global levels.
- Assumption that there is adequate capacity in national fisheries and aquaculture administrations and regional fishery bodies (RFBs) for effective management, including an appropriate representation of the interests of the fisheries and aquaculture sector in national and regional planning.
- Assumption that trade in fish and fish products will generate benefits (income and employment) from the point of capture/production to the final consumer.
- Assumption that adequate capacity is available to collect, verify, analyse, disseminate and exchange information and data, utilizing international standards, codes and guidelines, and that this information and data are used for decision-making by countries individually or collectively through the national, regional and global mechanisms.
- Assumption that, within FAO, timely, strong and coordinated collaboration with decentralized offices, FAORs and the Technical Cooperation Department will be achieved, leading inter alia to well designed and implemented projects
- Assumption that Regular Programme funding for the biennium 2012-2013 will be unchanged from the 2010-2011 level and more extra-budgetary funding will be needed and available to meet an increased number of requests for FAO intervention from governments.
- Assumption that synergies with other ongoing programmes in and outside of FAO and between FAO and partners outside FAO are developed, maintained and strengthened

- Risk that overfishing, overcapacity and IUU fishing will not be sufficiently reduced or even worsen, if the necessary regulatory and institutional measures are not maintained or not adopted and implemented.
- Risk of widespread difficulties to attract and retain qualified staff in fisheries and aquaculture administrations, particularly in developing countries.
- Risk that a lack of adequate capacity and non-adherence to standards could lead to inadequate information and jeopardize effective decision-making.
- Risk that governments and RFMOs are not sufficiently prepared or are otherwise unable to respond to the impacts of climate change in the future
- Risk that aquaculture sector growth may be hampered by e.g. the environmental impact of aquaculture development; conflicts between resource users; prevalence of diseases; and the increased dependence on wild fish for use as seed and feed.

<b>Application of Core Functions to Strategic Objective C</b>								
Org Result	A - Perspectives, trend monitoring, assessment	B - Information, knowledge, statistics	C - International instruments	D - Policy advice	E - Tech support, capacity building	F - Advocacy, communication	G - Inter-disciplinary approach	H - Partnerships, alliances
<b>C1</b>	X	X	X	X	X	X	X	X
<b>C2</b>			X	X	X			
<b>C3</b>	X	X	X	X	X	X	X	X
<b>C4</b>	X	X	X	X	X	X	X	X
<b>C5</b>		X	X	X	X	X	X	X
<b>C6</b>		X	X	X	X	X		X

**Organizational Result C1 - Members and other stakeholders have improved formulation of policies and standards that facilitate the implementation of the Code of Conduct for Responsible Fisheries (CCRF) and other international instruments, as well as response to emerging issues**

*Lead Unit: FI*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>C1.1</b> Number of countries and RFBs that have developed at least one component of an appropriate policy or regulatory framework for the implementation of the CCRF and related instruments, including the formulation, adoption or implementation of policies, plans of action, laws and regulations and bilateral and regional agreements with specific attention to small-scale fisheries, overcapacity and IUU fishing	To be determined	10 additional countries 6 additional RFBs	<i>5 additional countries</i> <i>3 additional RFBs</i>
<b>C1.2</b> Number of international fisheries instruments (including international guidelines and legally binding instruments)	To be determined	3 additional instruments	<i>3 additional Chair's drafts</i>

Indicator	Baseline	Target (end-2013)	Target (end-2011)
that have been adopted under the auspices of FAO			
<b>C1.3</b> Number of countries and RFBs whose monitoring and statistics on fishery and aquaculture sectors have demonstrated improvement either in their coverage, level of detail, accuracy or comparability.	To be determined	10 additional countries 6 additional RFBs	<i>5 additional countries</i> <i>3 additional RFBs</i>

### Primary Tools for achievement of the Organizational Result

1. Regular reporting on the status of implementation of the CCRF and related instruments.
2. Advice on establishing and integrating policy and legal frameworks, balancing development objectives with conservation needs and giving special attention to small-scale fisheries and aquaculture.
3. Providing platforms, such as COFI, for international debate, and strengthening their contribution to, and participation in, other international fora [such as the United Nations General Assembly (UNGA), Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Commission on Biological Diversity (CBD), Convention on Migratory Species (CMS), United Nations Environment Programme (UNEP), International Maritime Organization (IMO) and International Labour Organization (ILO)].
4. Developing new instruments, such as agreements, plans of action, technical and international guidelines.
5. Advocacy and communication, in particular about the economic, social and environmental benefits and the sector's enhanced contribution to the UN MDGs of implementing the CCRF and related international instruments.
6. Capacity building in statistics and the development of legal and policy frameworks, international negotiation, and economic and social aspects of fisheries.
7. Production and utilization of timely and reliable information and statistics and citations and other analyses as a basis for policy development.
8. Exchange, collation and dissemination of statistics and information including through partnership arrangements and development of sustainable solutions for data infrastructures and virtual collaborative working environments.
9. Strengthened collaboration with relevant intergovernmental, governmental and non-governmental partners including organizations of fishworkers, fishfarmers and fishing/aquaculture industry.
10. Advocacy and communication, in particular about the economic and social benefits of sustainable fisheries.

### Organizational Result C2 - Governance of fisheries and aquaculture has improved through the establishment or strengthening of national and regional institutions, including RFBs

#### Lead Unit: FIE

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>C2.1</b> Number of countries that FAO has assisted in strengthening their institutions and institutional arrangements	To be determined	10	5

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
or in creating new ones, where needed, resulting in significant impact on the governance of the sector			
<b>C2.2</b> Number of RFBs receiving FAO assistance that have conducted assessments of their performance and have taken steps to improve it	6 RFBs	4 additional RFBs	<i>2 additional RFBs</i>
<b>C2.3</b> Number of new RFBs/Aquaculture networks (AqN) supported by FAO that have drafted statutes or agreements, in response to gaps identified in the governance of shared resources	To be determined	Most gaps filled in draft statutes or agreements	<i>2 additional draft statutes or agreements of RFBs/AqNs completed</i>

#### **Primary Tools for achievement of the Organizational Result**

1. Advice and assistance (through legal, policy and information support) to strengthen existing institutions.
2. Capacity building on governance and management of institutions.
3. Regular analysis and reporting on experiences with institutional assessments and reform.
4. Legal, policy and technical advice provided for establishing new RFBs.
5. Field support to, and case studies on, institutional reform.
6. Working with other UN agencies and relevant IGOs and NGOs to ensure maximum efficiency in promoting institutional reform for improved governance.
7. Support to RFBs, aquaculture networks (AqN) and relevant international institutions in addressing cross-cutting issues such as small-scale fisheries and small-scale aquaculture.

#### **Organizational Result C3 - More effective management of marine and inland capture fisheries by FAO Members and other stakeholders has contributed to the improved state of fisheries resources, ecosystems and their sustainable use**

##### **Lead Unit: FIM**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>C3.1</b> Number of countries and RFBs that have formally adopted fisheries management plans or equivalent frameworks for their marine and inland capture fisheries and water ecosystems, which are consistent with the Code of Conduct and ecosystem approach to fisheries (EAF) and take into account the specific needs and contributions of small-scale fisheries	To be determined	10 additional countries 6 additional RFBs	<i>4 additional countries</i> <i>2 additional RFBs</i>

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>C3.2</b> Percentage of projects, workshops or other FAO interventions that resulted in the adoption or revision of marine and inland fishery sustainable management practices and policies.	To be determined	75%	75%
<b>C3.3</b> Number of countries that have utilised FAO guidelines and technical reports in the development of fishery policy and management plans	To be determined	10 additional countries	5 additional countries

### Primary Tools for achievement of the Organizational Result

1. Development and dissemination, in cooperation with other appropriate partners, of technical guidelines, toolboxes and other information material on fisheries management in the framework of EAF and relevant aspects of the Code of Conduct. Particular emphasis will be placed on material for management of small-scale fisheries.
2. Assessment of the state of fishery resources and ecosystems in close collaboration with member countries and relevant regional and international institutions.
3. Regular reporting on the state of fish stocks and ecosystems
4. Identification of indicative inland fisheries for in-depth study and monitoring in order to assess the status and trends of these fisheries and then to extrapolate to provide global information.
5. Technical advice and capacity building in all areas of fisheries assessment and management in the framework of EAF, taking special account of the needs of small-scale fisheries and livelihood requirements, at national, regional and global levels.
6. Partnerships with other UN agencies and relevant IGOs and NGOs and academic institutions (e.g. universities). Facilitating and promoting international cooperation in fisheries management through workshops, consultations, creation of networks and other means, including with other sectors where necessary.
7. Advocacy and communication, in particular about the economic, social and environmental benefits of sustainable fisheries.

### Organizational Result C4 - Members and other stakeholders have benefited from increased production of fish and fish products from sustainable expansion and intensification of aquaculture

#### Lead Unit: FIM

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>C4.1</b> Number of countries adopting and implementing FAO instruments, norms, guidelines to foster sustainable growth of aquaculture	To be determined	20 additional countries	10 additional countries
<b>C4.2</b> Number of countries adopting and implementing FAO instruments and guidelines to increase social benefits of aquaculture (rural development, livelihoods)	To be determined	20 additional countries	10 additional countries

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>C4.3</b> Number of countries where projects, workshops or other FAO interventions resulted in the adoption or revision of practices and policies aimed at the sustainable development and production of aquaculture	To be determined	20 additional countries	<i>10 additional countries</i>

### Primary Tools for achievement of the Organizational Result

1. Capacity development and assistance to Members in development and management in aquaculture through training programmes, development of technical manuals and guidelines and facilitation of their adoption and implementation through meetings and workshops.
2. Support to and promotion of small-scale rural aquaculture by organizing and empowering small-scale farmers including women and vulnerable communities.
3. Promotion of sustainable and responsible aquaculture development through policy advice and technical capacity building on better management of biosecurity, risk assessments, integrated aquaculture, environmental management, feed and nutrition, biodiversity, ecosystem approach to aquaculture (EAA), etc.
4. Promotion of global, regional and thematic reviews and assessments of the aquaculture sector including aquatic genetic resources.
5. Promotion and support to aquaculture partnerships and aquaculture networks in applied research and development, technology transfer, and capacity building.
6. Development of information tools and systems including virtual means to disseminate and promote sharing, collecting, managing and utilizing relevant aquaculture information and data.
7. Improved communication and coordination between FAO and regional offices as well as between FAO and other relevant regional and global organisations.
8. Providing an effective and efficient secretariats to the COFI Sub-Committee on Aquaculture.

### Organizational Result C5 - Operation of fisheries, including the use of vessels and fishing gear, is made safer, more technically and socio-economically efficient, environmentally-friendly and compliant with rules at all levels

#### Lead Unit: FI

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>C5.1</b> Number of countries where fisheries are harvested using environmentally-friendly, safe, technically and economically efficient fishing vessels, fishing gear and fishing practices	To be determined	10 additional countries	<i>5 additional countries</i>
<b>C5.2</b> Number of countries and RFBs which have established an operational vessel monitoring system (VMS) to enhance their capacity for monitoring, control and surveillance (MCS)	To be determined	10 additional countries 4 additional RFBs	<i>3 additional countries</i> <i>2 additional RFBs</i>

### Primary Tools for achievement of the Organizational Result

1. Development and application of knowledge products and best practices on safer, more technically and socio-economically efficient fishing operations, including inventory of technologies and best practices related to C5-1 and C5-2 above.
2. Development and application of knowledge products and best practices to minimize adverse impacts of fishing on the environment, including global updates of bycatch and discards, low-energy capture technologies and development of environmentally-friendly fishing technologies.
3. Provision of technical advice and support on all matters related to responsible fishing operations, including facilitation of workshops, technical consultations, commissioning of studies and reviews.
4. Provision of technical advice and support in the development of appropriate small-scale fishing technologies.
5. Provision of technical advice and support on harbour management, waste reduction, microfinance, livelihoods diversification and processes for enhanced stakeholder participation in fishing and aquaculture operations.
6. Support to Member States and RFBs in capacity building and promoting activities that strengthen and expand their capacity for integrated monitoring, control and surveillance (MCS) systems of fishing operations.

### Organizational Result C6 - Members and other stakeholders have achieved more responsible post-harvest utilization and trade of fisheries and aquaculture products, including more predictable and harmonized market access requirements

*Lead Unit: FI*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>C6.1</b> Number of countries that have adopted good practices for fish utilization, marketing and trade, both at the government and industry levels	To be determined	10 additional countries	<i>5 additional countries</i>
<b>C6.2</b> Number of countries that have adopted FAO recommended policies and practices to improve the fisheries and aquaculture post harvest sector.	To be determined	10 additional, countries	<i>5 additional countries</i>
<b>C6.3</b> Number of countries that have harmonized their fish trade laws, regulations and practices, including those applicable to seafood safety, with internationally agreed requirements and standards.	To be determined	10 additional countries	<i>5 additional countries</i>

### Primary Tools for achievement of the Organizational Result

1. Provision of support, technical advice and capacity building to national, regional and international organizations, including private sector, in all areas of fish utilization, marketing and trade to improve post-harvest practices, product quality and market access. This can be achieved through responses to ad hoc requests for technical support, TCP projects, continued

technical support to, and back-stopping of, the Fish Infoservices, short- and long-term comprehensive projects funded by extra-budgetary funds.

2. Regular assessment and reporting, in particular through the COFI Sub-Committee on Fish Trade and other international meetings on trade, on developments, trends and issues of fish utilization, trade and market access requirements.
3. Provision of technical advice and capacity building in all areas of fish utilization, marketing and trade at national, regional and global levels through: responses to *ad hoc* requests for technical support, TCP projects, continued technical support to, and back-stopping of, the Fish Infoservices, short- and long-term comprehensive projects funded by extra-budgetary funds.
4. Development of strategic partnerships with relevant UN agencies, IGOs and NGOs to promote the development and implementation of instruments and practices, including market instruments, for responsible and sustainable fish utilization, marketing and trade.
5. Support to national and regional extension, research and professional institutions and regional networks to promote responsible fish utilization, marketing and trade.



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**STRATEGIC OBJECTIVE D -  
IMPROVED QUALITY AND SAFETY OF FOOD AT ALL STAGES  
OF THE FOOD CHAIN**

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**Strategic Objective D (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
D01	13,530	3,325	1,312	0	4,637	18,167
D02	3,833	1,010	509	10	1,529	5,362
D03	7,498	1,021	2,892	2,021	5,934	13,433
D04	6,079	1,073	4,330	73	5,476	11,555
<b>Total</b>	<b>30,941</b>	<b>6,429</b>	<b>9,043</b>	<b>2,104</b>	<b>17,576</b>	<b>48,517</b>

**Issues and Challenges**

Inadequate controls of food safety and quality along the food chain continue to plague both developed and developing countries. Reports of food safety management failures demonstrate the difficulties faced by countries in achieving effective and integrated controls throughout the preproduction to consumption continuum, even in developed countries with mature food safety and quality systems supported by considerable technical and scientific capacities. The consequences of these failures include food-borne illness and concomitant negative economic effects on farmers, food businesses and consumers. In many developing countries food-borne diseases remain a major cause of death and illness, particularly among children, and the main challenges to improved food control are: fragmented food control systems, inadequate or inconsistent legal frameworks, weak institutions, lack of adequate consumer protection policies, poor infrastructure and shortages of trained human resources. Main challenges for improved food quality are: lack of recognition of the importance of nutrition characteristics in the overall assessment of food quality, insufficient capacity and resources, and inadequate composition and consumption data for informed decision-making.

Poverty reduction and socio-economic development are highly dependent on countries' capacities to comply with market requirements for safety and quality. However, in many developing countries, food safety/quality strategies and action plans commonly fail due to inadequate and inconsistent budgetary and other support. Improving food safety and quality management at national level at all stages of the food chain requires strategic inter-sectoral planning and investment. There is a need to raise awareness among high-level policy-makers of the need for food safety policies and strategies to be developed and considered in the context of broader national food and nutrition security, agricultural development and public health goals.

The Codex Alimentarius Commission develops science-based food safety standards that most individual countries, in particular developing countries, do not have the capacity or resources to develop on their own. The Commission also develops internationally-agreed food quality standards, including reference values for nutrients and labelling. Both developing and developed countries look to the Codex standards for international guidance to protect consumers' health, while ensuring fair practices in food trade. Given the implications of WTO's SPS and TBT Agreements on international food trade, there are increasing expectations attached to the Codex standard-setting process and to scientific advice – on food safety and nutrition - to support that process. Developing countries must build capacity to participate effectively in the work of the Codex Alimentarius Commission and its related bodies, so as to ensure the validity and relevance of Codex standards in the international context.

The mere existence of standards is insufficient to provide assurance of public health protection or compliance with specific market requirements. This requires capacity to apply the standards through a national system of food safety/quality management and control, where both public and private sector actors are assigned clearly defined roles and responsibilities and possess the knowledge, skills and facilities necessary to perform their functions effectively and efficiently.

Climate-related effects, altered population demographics, life-style changes, evolving food production systems, loss of food bio-diversity, shifting market dynamics and increasing application of private standards are all expected to challenge governments to identify emerging hazards, to recognise changing food safety and quality priorities, and to adapt relevant programmes accordingly.

#### Assumptions and Risks

- Assumption that Member countries remain committed and actively engaged in the development of Codex standards as the basis for international harmonisation of food safety and quality standards and that they continue to contribute resources to international standard setting and related activities.
- Assumption that improved coordination among increasing numbers of international agencies involved in food safety and quality capacity development will avert fragmented delivery and reduced efficiency and effectiveness of technical assistance.
- Assumption that countries recognize the importance of national food control systems to public health, food security, market access and economic development and that they provide adequate resources and an enabling environment for effective food safety /quality management.
- Risk that political instability, problems of food security and competing priorities may undermine the ability of governments to consistently support programmes of food safety and quality, including nutritional quality.
- Risk that regional and sub-regional trade-related agreements may not be consistent with multilateral agreements on food safety and quality regulation.
- Risk that inadequate attention is paid to management of safety and quality of food supplies for domestic markets as priority is given to systems of control for foods that are destined for export markets.
- Risk that investments in food safety and nutrition research and human resource development will be inadequate to effectively address emerging challenges, including climate change.

<b>Application of Core Functions to Strategic Objective D</b>								
<b>Org Result</b>	<b>A - Perspectives, trend monitoring, assessment</b>	<b>B - Information, knowledge, statistics</b>	<b>C - International instruments</b>	<b>D - Policy advice</b>	<b>E - Tech support, capacity building</b>	<b>F - Advocacy, communication</b>	<b>G – Interdisciplinary approach</b>	<b>H - Partnerships, alliances</b>
<b>D1</b>	X	X	X			X	X	X
<b>D2</b>	X	X		X	X	X	X	X
<b>D3</b>	X	X			X	X	X	X
<b>D4</b>	X	X			X	X	X	X

**Organizational Result D1 - New and revised internationally-agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization**

*Lead Unit: AGN*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>D1.1</b> Number of national contact points that use the “MyCodex” Web page to interact with the Codex Secretariat and other Members	0	80	20
<b>D1.2</b> Percentage of countries reporting their use of Codex standards at Codex Regional Coordinating Committee meetings and on regional Codex Web sites	CCEURO: 41% CCNASWP: 77% CCLAC: 38% CCASIA: 46% CCNEA: 35% CCAFRICA: 55%	Upward trend: at least 60% reporting in all regions	<i>At least 50% reporting in all regions</i>
<b>D1.3</b> Percentage of FAO/WHO Expert Scientific advice outputs (food safety and nutrition) incorporated or utilized by relevant Codex Committees in the development of relevant of internationally-agreed standards and recommendation	80%	85%	85%

**Primary Tools for achievement of the Organizational Result**

1. Provision of the Secretariat for the FAO/WHO Codex Alimentarius Commission and its subsidiary bodies.
2. Provision of legal advice to the Codex Alimentarius Commission and to related expert bodies.
3. Advocacy to raise awareness of national decision-makers of the importance of Codex and for the use of Codex texts at national and regional levels and facilitation of regional collaboration on food standardisation.
4. Advocacy for, and management (jointly with WHO) of, the FAO/WHO Codex Trust Fund to support the effective participation of developing countries to regular Codex Sessions.
5. Development of guidance and methodologies needed to support the elaboration of scientific advice on food safety and quality at the international level.
6. Provision of scientific advice on food safety and quality through the implementation of the Joint FAO/WHO Expert Committee on Food Additives (JECFA), Joint FAO/WHO Meeting on Pesticide Residues (JMPR), Joint FAO/WHO Expert Meetings on Microbiological Risk Assessment (JEMRA) and *ad hoc* expert meetings.
7. Provision of scientific advice on nutrition and food quality through the implementation of the Joint FAO/WHO Expert Committee on Nutrition (JEMNU) and *ad hoc* expert meetings and the operation of International Network of Food Data Systems (INFOODS)

**Organizational Result D2 - Institutional, policy and legal frameworks for food safety/quality management that support an integrated food chain approach**

**Lead Unit: AGN**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>D2.1</b> Number of developing/transition countries that have developed or adopted national food safety/quality policies on the basis of sound assessments and through participative processes	38	50	46
<b>D2.2</b> Number of developing/transition countries that have assessed their food safety/quality legislative frameworks, to identify legislative drafting priorities and to develop/adopt required legislation	47	62	55
<b>D2.3</b> Number of developing/transition countries that have established institutional mechanisms or reviewed/revised their procedures to improve existing institutional mechanisms for achieving coordinated food control along the food chain	30	45	38

**Primary Tools for achievement of the Organizational Result**

1. Analyses, reviews on national and regional policy and institutional frameworks for food safety/quality control (including nutritional quality) as a basis for guidance to governments on improving their own national/ regional frameworks
2. Advocacy for the food chain approach to addressing food safety issues and for enhancing public private partnerships to facilitate achievement of food quality and safety goals
3. Provision of legal advice for strengthening national/ regional legislative frameworks for food safety/quality
4. Assembly and analysis of information to guide decisions on investment in food safety/quality control infrastructure
5. Advocacy for the promotion of food biodiversity by enhancing private-public partnerships to achieve the sustainability of the food chain and higher food quality

**Organizational Result D3 - National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms**

**Lead Unit: AGN**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>D3.1</b> Number of developing/transition countries that have developed risk-based food safety, including emergency preparedness, programmes which apply FAO best practices	22	34	21
<b>D3.2</b> Number of developing/transition countries that have or are developing food inspection and certification services meeting international recommendations	37	49	43
<b>D3.3</b> Number of developing/transition countries that have expanded their food analysis capacities in terms of numbers of analytical tests available or upgrading the quality of test results	45	55	50
<b>D3.4</b> Number of developing/transition countries that have developed national strategies and action plans for raising public awareness and education on food safety and quality, including nutritional benefits	15	27	24
<b>D3.5</b> Number of developing/transition countries that have established processes and structures designed to ensure regular inputs for Codex standard setting	45	80	60

**Primary Tools for achievement of the Organizational Result**

1. Guidance on good practices for establishing an enabling environment for broad stakeholder participation in food safety/quality programme design and in standard-setting at national level and for collaboration at regional and sub-regional levels on food safety and food quality issues
2. Support the application of the food safety risk analysis framework to food safety decision-making at national level (risk assessment, risk management and risk communication), including the development of national food standards.

3. Facilitating access to information on international food safety standards, risk (and risk/benefit) assessment and scientific advice, food composition and other related issues (e.g. the Web-based portal International Portal on Food Safety, Animal and Plant Health (IPFSAPH), Joint FAO/WHO Expert Committee on Food Additives (JECFA) and microbiological risk assessment (MRA) publication series, Journal of Food Composition, reports of Joint FAO/WHO meetings on Nutrition (JEMNU, etc.).
4. Support for building capacities and improving efficiency of food laboratory, food inspection and certification services.
5. Guidance and technical assistance on nutrient reference values, food labelling, food composition, nutrient requirements and health claims.
6. Support the development of institutional and individual capacities on specific food control issues such as contaminant monitoring programmes, sampling programmes, traceability/product tracing and facilitate a supportive policy environment for implementation of effective programmes.
7. Provision of timely information, food safety intelligence, forecasting, early warning and guidance and assistance on national-level preparedness and to food safety emergencies through the Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases (EMPRES-Food Safety), International Food Safety Authorities Network (INFOSAN) and Crisis Management Centre along the Food Chain (CMC-FC).
8. Partnerships with academic and research institutions as collaborating centres to enhance and expand training and capacity development

**Organizational Result D4 - Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements**

*Lead Unit: AGN*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>D4.1</b> Number of developing/transition countries that have developed integrated strategies and action plans for promoting compliance with good agricultural, manufacturing and hygiene practices	32	44	40
<b>D4.2</b> Number of countries that comprehensively incorporate food safety/hygiene considerations into programmes of good practice in primary production	25	40	35

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>D4.3</b> Number of developing/transition countries with programmes of technical assistance to value chain actors in food safety/quality management that incorporate FAO best practices in food safety	34	49	42
<b>D4.4</b> Number of developing/transition countries with programmes to strengthen the capacity of farmers and businesses, and the institutions that support them, to comply with voluntary standards and schemes	20	28	24

#### **Primary Tools for achievement of the Organizational Result**

1. Support development of national strategies for achieving food quality and safety goals.
2. Support institutional and individual capacities to develop and implement programmes for improving food safety and quality management for small and lesser-developed businesses, including the street food sector.
3. Provision of guidelines on good practices at primary production in the animal, plant and fisheries sectors.
4. Guidance on good practice in assessing feasibility of voluntary standards/codes and schemes for food quality and support for developing capacities to implement such standards /codes and schemes , including those related to specific quality products.
5. Support for national actors and institutions to develop programmes of consumer awareness/ education in food safety and quality including nutritional quality and biodiversity.
6. Decision-support tools to inform investment planning in food safety/quality infrastructure.
7. Identification of emerging market trends and analyses of the impact of private and voluntary standards on market access.

**STRATEGIC OBJECTIVE E -  
SUSTAINABLE MANAGEMENT OF FORESTS AND TREES**

**Strategic Objective E (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
E01	8,940	7,375	2,287	5	9,667	18,607
E02	10,183	25	1,984	25	2,034	12,217
E03	6,289	6,532	4,306	22	10,860	17,149
E04	8,473	4,970	8,774	32	13,775	22,248
E05	7,500	641	5,244	4,027	9,912	17,412
E06	8,702	9,403	1,560	43	11,006	19,708
<b>Total</b>	<b>50,087</b>	<b>28,945</b>	<b>24,155</b>	<b>4,154</b>	<b>57,254</b>	<b>107,342</b>

### Issues and Challenges

The forest sector is affected by the rapid pace of global changes. Forestry has become more people-centred, and society's demands on forests have undergone significant changes with increasing emphasis on environmental, social and cultural values. In addition, the critical roles that forests and trees outside forests play in mitigation of, and adaptation to, climate change, as well as a source of bioenergy, are increasingly recognized, requiring careful consideration in national and international decision-making.

The significant contributions of forests and trees to sustainable livelihoods and eradication of hunger and poverty is increasingly appreciated. There is greater recognition of the linkages of forestry with agriculture and rural development, energy and water and this is increasingly understood to be the source of both problems and opportunities. However, progress towards sustainable forest management remains uneven and the potential for cross-sector synergies, integrated management and landscape approaches is often under-utilized. Despite relevant improvements have been recorded in the past years, the loss of forests and forest degradation in many developing countries, especially in tropical regions, is a major issue. Rural livelihoods often depend on forests that support employment and income, thus reducing poverty. In many economically-developed countries, environmental conservation and forest-based recreation are the dominant concerns of society. In all regions, the demand for ecosystem services from forests is increasing. A strategic approach is needed to ensure the health and productivity of forests, so as to optimize their capacity to mitigate climate change, conserve biodiversity, safeguard wildlife habitat and protect land and watersheds.

The challenge for FAO is to effectively assist member countries to improve the management of their forests and reduce emissions from deforestation and forest degradation. (REDD-plus) As the quantity of, and access to, information about forests and forestry continue to expand, the need to share and manage knowledge more effectively is becoming more urgent. Countries expect that FAO reach outside the traditional forest sector, engage in partnerships with new stakeholders, and serve as a global leader.

### Assumptions and Risks

- Assumption of relatively consistent economic progress and increased investments in forestry.
- Assumption of widespread recognition of the importance of sustainable forest management (SFM) and support for FAO's role in helping to promote SFM, both at national and international levels.
- Assumption that sufficient resources are available to enhance capacities of countries to help them overcome obstacles to sustainable forest management through policy and legal advice, capacity development and technical assistance.
- Risk of pressure to utilize forest resources unsustainably because of continued population growth and rural poverty.
- Risk of overwhelming economic pressures to convert forests to agriculture, urban or other land uses.



- Risk that countries are unable to combine political will, effective governance at all levels, and overall economic progress to achieve SFM.

<b>Application of Core Functions to Strategic Objective E</b>								
Org Result	A - Perspectives, trend monitoring, assessment	B - Information, knowledge, statistics	C - International instruments	D - Policy advice	E - Tech support, capacity building	F - Advocacy, communication	G – Inter-disciplinary approach	H - Partnerships, alliances
<b>E1</b>	<b>X</b>	<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>E2</b>			<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>
<b>E3</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>E4</b>			<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>E5</b>	<b>X</b>	<b>X</b>		<b>X</b>				
<b>E6</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

### **Organizational Result E1 – Policy and practice affecting forests and forestry are based on timely and reliable information**

**Lead Unit: FOM**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>E1.1</b> Number of countries that complete a comprehensive improved national forest monitoring and assessment (NFMA) or MRV meeting FAO standards	9	24	10
<b>E1.2</b> Number of countries that submit complete reports for the global Forest Resources Assessment (FRA) 2010	130	150	150
<b>E.1.3</b> Number of developing countries and countries in transition using the remote sensing methods and tools developed by FAO to generate estimates of forest area change at national level	0	5	0

### **Primary Tools for achievement of the Organizational Result**

1. Serve as an authoritative global source of information on forest resources, products and institutions.
2. Prepare and disseminate the Year book on Forest Products, the results of periodic Global Forest Resources Assessments and reports on the State of the World's Forests.
3. Support to national and regional forest monitoring and assessment, including interactions with other sectors through integrated land use assessments.
4. Effectively share knowledge and information through timely, high-quality use of the Internet, networks, publications and other media.
5. Support to countries to undertake Measuring, Reporting and Verification (MRV) of forests and forest carbon stocks in compliance with Intergovernmental Panel on Climate Change (IPCC) and FAO guidelines

6. Develop methods and tools for estimating forest area change by remote sensing
7. and provide training to countries to use these

**Organizational Result E2 – Policy and practice affecting forests and forestry are reinforced by international cooperation and debate**

**Lead Unit: FOE**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>E2.1</b> Number of countries that are represented at regional forestry commissions (RFC) and COFO by senior forestry officials, and who find the meeting to be relevant and useful based on structured post-meeting surveys	80 (COFO) 108 (RFC)	100 (COFO) 130	90 (COFO) 120
<b>E2.2</b> Number of formal initiatives under Collaborative Partnership on Forests (CPF) undertaken by two or more CPF organizations	2	4	3
<b>E2.3</b> Number of initiatives related to global forest issues undertaken with international partners	5	10	7

**Primary Tools for achievement of the Organizational Result**

1. Provide a dynamic forum for governments and other stakeholders to address policy and emerging issues, including Ministerial Meetings, the Committee on Forestry, the World Forestry Congress, Regional Forestry Commissions, technical panels and commissions, expert consultations, and global and regional networks.
2. Strengthen linkages between national, regional and global processes, including through an expansion of the role of Regional Forestry Commissions.
3. Provide leadership for the Collaborative Partnership on Forests (CPF), including developing joint programmes or actions, and through other partnerships, hosting the Mountain Partnership and through active partnerships with the private sector and non-governmental organizations.
4. Intensify the cooperation with other international organizations in global forest issues, like research and education

**Organizational Result E3 - Institutions governing forests are strengthened and decision-making improved, including involvement of forest stakeholders in the development of forest policies and legislation, thereby enhancing an enabling environment for investment in forestry and forest industries. Forestry is better integrated into national development plans and processes, considering interfaces between forests and other land uses.**

**Lead Unit: FOE**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>E3.1</b> Number of partner countries where the National Forest Programme Facility makes a positive impact as assessed by the Facility impact assessment tool	30	50	40

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>E3.2</b> Number of countries that have updated their forest policies or laws following best participatory practices with FAO engagement	20	35	27

#### Primary Tools for achievement of the Organizational Result

1. Support to effective national forest programmes, including capacity building and knowledge exchange.
2. Host and support the National Forest Programme Facility.
3. Support for integrated (cross-sectoral) policy analysis and planning to better understand the implications of policies of other sectors on forests and vice versa.
4. Support participatory development of forest policy and law, institutional reform and efforts to improve governance at all levels.
5. Support inclusive and participatory forest tenure reform processes including the corresponding capacity building through cooperatives and associations.
6. Sector studies, including regional forestry outlook studies, and comparative analyses of forest institutions.

#### Organizational Result E4 - Sustainable management of forests and trees is more broadly adopted, leading to reductions in deforestation and forest degradation and increased contributions of forests and trees to improve livelihoods and to contribute to climate change mitigation and adaptation

##### Lead Unit: FOM

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>E4.1</b> Number of countries using FAO guidelines for good practices in forestry including forest protection	5 fire guidelines 5 planted forests guidelines 0 forest health guide	20 20 15	10 10 5
<b>E4.2</b> i) Number of countries using FAO community-based fire management approaches and ii) Number of trainers trained	0 0	10 80	5 40
<b>E4.3</b> Number of countries using new programmes to enhance carbon stocks	0	10	0

#### Primary Tools for achievement of the Organizational Result

1. Strengthen country capacity for implementation of guidelines for good forest practices through effective stakeholder consultative processes.
2. Support integrated, landscape approaches to fire management, including through community-based approaches.
3. Support information sharing, database development and capacity building to strengthen capacity and capability towards achieving sustainable forest management and reducing deforestation and forest degradation.
4. Strengthen country capacity in afforestation, reforestation, assisted natural regeneration, improved silviculture of native and planted forests

5. Strengthen linkages and collaboration with CPF members, FCPF, FIP, GEF and bilateral donors in SFM and REDD+ Readiness
6. Support the Global Partnership for Forest Landscape Restoration and the International Model Forests Network

**Organizational Result E5 – Social and economic values and livelihood benefits of forests and trees are enhanced, and markets for forest products and services contribute to making forestry a more economically-viable land-use option**

**Lead Unit: FOE**

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>E5.1</b> Countries expanding investment in forest products and forest services supported by strategy formulations, codes, good practices, trade statistics and capacity building provided by FAO.	15	20	17
<b>E.5.2</b> Number of Partnerships established with private sector and civil society to foster legal, sustainable and socially responsible forest product and service production.	5	10	8

**Primary Tools for achievement of the Organizational Result**

1. Analysis and knowledge of social and economic factors resulting in increased innovation and investment.
2. Analysis of production, consumption and trade of forest products.
3. Technical assistance and guidelines for community-based forest management, forest-based enterprises that improve livelihoods and reduce poverty.
4. Information and assistance on accessing carbon markets provided to forestry practitioners.
5. Partnership with private sector including through the FAO Advisory Committee on Paper and Wood Products.

**Organizational Result E6 - Environmental values of forests, trees outside forests and forestry are better realized; strategies for conservation of forest biodiversity and genetic resources, climate change mitigation and adaptation, rehabilitation of degraded lands, and water and wildlife management are effectively implemented**

**Lead Unit: FOM**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>E6.1</b> Number of countries that are using FAO guidelines, tools and expertise for improved policies and field implementation in conservation and sustainable	10	60	20

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
use of forest biodiversity, watershed management, arid zone forest management and agro-forestry			
<b>E6.2</b> Number of countries that provide reports on the State of the World's Forest Genetic Resources (to be completed by 2013)	0	150	60
<b>E6.3</b> Number of countries that have adopted FAO guidelines for integrating climate change strategies into national forest policies	0	20	5
<b>E6.4</b> Number of countries participating in comprehensive programmes intended to maintain or enhance the environmental values of forests by reducing deforestation and forest degradation (REDD-plus)		12	8

#### **Primary Tools for achievement of the Organizational Result**

1. Provide technical, policy, and legal assistance in support of landscape and ecosystem approaches and the development of payment for environmental services schemes, with an emphasis on mountain ecosystems, arid zones and rangelands, coastal forests and other fragile ecosystems.
2. Development and use of guidelines for adapting forest policies, institutions, practices and governance arrangements to improve climate change mitigation and adaptation.
3. Support national and regional initiatives to conserve biological diversity including wildlife resources in protected areas and production forests.
4. Provide policy and technical assistance to improve the management of watersheds, to rehabilitate degraded forest lands and combat desertification.
5. Increased use of financial mechanisms to facilitate information sharing and database development, and to build capacity to strengthen forest management and to reduce deforestation and forest degradation (e.g. REDD).
6. Support development and implementation of strategies for conservation and sustainable use of forest genetic resources at global, regional and local levels.

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**STRATEGIC OBJECTIVE F -  
SUSTAINABLE MANAGEMENT OF LAND, WATER AND GENETIC RESOURCES  
AND IMPROVED RESPONSES TO GLOBAL ENVIRONMENTAL CHALLENGES  
AFFECTING FOOD AND AGRICULTURE**

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**Strategic Objective F (in USD 000 at 2010-11 rates)**

<b>Organizational Result</b>	<b>– Net Appropriation</b>	<b>– Core Voluntary</b>	<b>– Field Programme</b>	<b>Emergencies</b>	<b>– Total Extra-budgetary</b>	<b>– Total</b>
F01	12,399	5,560	14,916	175	20,650	33,048
F02	13,927	2,448	17,020	15,049	34,516	48,443
F03	3,531	1,835	6,562	0	8,396	11,928
F04	4,930	3,561	4,663	3,067	11,291	16,220
F05	19,370	14,422	8,719	1,085	24,226	43,596
F06	14,131	7,562	5,301	62	12,924	27,054
<b>Total</b>	<b>68,286</b>	<b>35,387</b>	<b>57,180</b>	<b>19,437</b>	<b>112,004</b>	<b>180,290</b>

**Issues and Challenges**

Natural resources (land, water, climate and genetic resources) and their services are essential to food production, rural development and sustainable livelihoods. Conflicts and competition over access to, and the use of these resources will increase in many regions, due to rising demands for food, water, fibre and energy. Increased intensity of natural resource use will result in the loss of biodiversity and the degradation of productive land and water resources. This will be exacerbated by the anticipated impacts of climate change on agricultural production, growing conditions, water availability, occurrences of extreme weather events and others, as well as by volatility in global markets. Hence, the sustainable management of natural resources for the benefit of present and future generations requires distinct technical disciplines to address key aspects of natural resources and their governance in the context of rural development. It also needs multi-disciplinary and multi-sectoral approaches so that competition for natural resources can be reduced. This includes support of the development and use of international instruments. A central challenge is to ensure that the capacities to manage and regulate natural resource usage are supported at all levels. These capacities will need to respond effectively to rapid socio-economic transitions and emergencies. They will need to be underpinned by key data (including geospatial), knowledge and approaches, available at the national, regional and global levels.

Many opportunities exist to limit the adverse impacts of climate change through improved knowledge and management of natural resources in agriculture, forestry and fisheries policies and practices. Adaptation and mitigation strategies will involve reduction of anthropogenic emissions and the enhancement of carbon sequestration. Financing mechanisms [e.g. clean development mechanism (CDM), Global Environment Facility (GEF), Payments for Environmental Services (PES) and others] support means to mitigate and adapt to climate change that apply across sectors and that require multidisciplinary approaches. However, complex procedures and restrictive eligibility criteria have tended to hamper funding of activities in these areas as relevant to agriculture, forestry and fisheries. There is increasing international recognition that bioenergy development and other new investments (including international investments in land) both offer opportunities and challenges for sustainable agricultural and rural development. International and national data and information and consultative processes leading towards sustainable bioenergy strategies and policies are needed.

**Assumptions and Risks**

- Assumption that the current international interest in, and commitment to, sustainable natural resources management, reflecting its critical importance for food security and poverty reduction, will continue and be converted into policy decisions and budget allocations to promote the adoption of appropriate management approaches and practices.

- Assumption that, at the national level, countries will be able to set achievable goals and formulate relevant policies, programmes and practices for the sustainable management of their natural resources, including, for example, for access to genetic resources and the sharing of benefits derived from their use, access to, and tenure of land, and for adaptation to, and mitigation of, climate change.
- Assumption that FAO can contribute effectively to the formulation of relevant instruments related to sustainable natural resources management at the international level and their implementation at the national level.
- Assumption that, at the institutional level of FAO, adequate mechanisms exist to ensure effective inter-unit collaboration.
- Risk that international policies and arrangements cannot be agreed by countries for sustainable natural resources management, including, for example, in relation to access to genetic resources and the sharing of benefits derived from their use, and in relation to climate change-related instruments, such as the Kyoto protocol and any post-2012 arrangements, clean development mechanism and other carbon market mechanisms, facilitating farmers' access to such financial resources.
- Risk that, at the national level, countries are not able to develop the capacities to manage the opportunities and challenges and mobilise necessary resources for capacity building related to sustainable natural resources management.
- Risk that as a result of climate change, new challenges will develop in relation to natural resources and their sustainable management for which appropriate mitigation and/or adaptation mechanism have not yet been explored.

<b>Application of Core Functions to Strategic Objective F</b>								
Org Result	A - Perspectives, trend monitoring, assessment	B - Information, knowledge, statistics	C - International instruments	D - Policy advice	E - Tech support, capacity building	F - Advocacy, communication	G - Inter-disciplinary approach	H - Partnerships, alliances
<b>F1</b>	X	X	X	X	X	X	X	X
<b>F2</b>	X	X	X	X	X	X	X	X
<b>F3</b>	X	X	X	X	X	X	X	X
<b>F4</b>	X	X	X	X	X	X	X	X
<b>F5</b>	X	X	X	X	X	X	X	X
<b>F6</b>	X	X		X	X	X	X	X

### **Organizational Result F1 - Countries promoting and developing sustainable land management**

*Lead Unit: NRL*

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F1.1</b> Number of countries whose land resources databases and geospatial infrastructure adopt FAO standards/criteria (as established by the “ <i>Spatial Information Management for Food and Agriculture</i> ” and the “ <i>Spatial Standards and Norms</i> ” Technical Report	0	10	5
<b>F1.2</b> Number of countries which newly adopt national land use plans, national strategies and national land	0	10	5

Indicators	Baseline	Target (end-2013)	Target (end-2011)
use legislation which are consistent with recent FAO guidelines and policies for sustainable land management (SOLAW, 2011, Towards a revised framework, 2007)			

#### Primary Tools for achievement of the Organizational Result

1. Provide policy and legal advice, capacity building and technical guidance and/or develop guidelines on how to use land in sustainable ways, including the analysis of food chains and their relative impact on the land resources, and ecosystem approaches.
2. Strengthening the capacity of countries to generate and use soil, land cover, land suitability and land use data at the national level, including through the establishment of appropriate Spatial Data Infrastructures and Standards.
3. Update and maintain the information base for SOLAW
4. Assess and monitor land resources, land use, land suitability, land degradation, and soil/land management practice and coordinate, compile and disseminate global level assessments, through web (Geonetwork and related websites), publications and technical assistance.
5. Contribute to the long-term perspectives, harmonised monitoring, assessment and reporting of trends in land resources and their management at various levels: global, regional and national.
6. Strengthen the contents, coverage, and quality of statistics on land resources, use and management in FAOSTAT to empower it as an important information system in support of design, monitoring and implementation of effective and efficient global and national policies.
7. Support international conventions where land use, land use change and land degradation are relevant and support countries in their reporting obligations under these international instruments, and in implementing these conventions through appropriate national legislation.
8. Assess interactions between land and climate change, including greenhouse gas emissions and sequestration, and payments for environmental services.

#### Organizational Result F2 - Countries address water scarcity in agriculture and strengthen their capacities to improve water productivity of agricultural systems at national and river-basin levels including transboundary water systems

##### Lead Unit: NRL

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F2.1</b> Number of countries or river-basin organizations whose water-scarcity coping strategies adopt FAO recommendations (Comprehensive Framework to cope with water scarcity)	0	8	4
<b>F2.2</b> Number of institutions which have adopted FAO water productivity enhancement tools and approaches (Water accounting methodology, MASSCOTE, AquaCrop)	0	20	8
<b>F2.3</b> Number of monthly visits to the FAO Water Web site	33,000	50,000	40,000



### Primary Tools for achievement of the Organizational Result

1. A fully functioning FAO Water platform to promote joint technical work and disseminate results on the multi-functional use and cross-sectoral management of water within FAO (through collaboration between relevant units, including water, land, agriculture, livestock, economics, forestry, legal, policy and investment units).
2. Provision of water policy services to address water management strategies in support to rural development and agricultural productivity enhancement, and the adoption of effective water allocation under conditions of scarcity. Deployment of water audit, irrigation and water investment framework methodologies to account for agriculture's water use and related investment in institutional and infrastructure assets.
3. Provision of technical support and capacity building to promote responsive agricultural water management. Strengthening of national capacity to address irrigation performance and modernization, water use efficiency and productivity enhancement, water quality management and technological development using FAO main products [including the mapping systems and services for canal operation techniques (MASSCOTE), FAO crop-model (AQUACROP), etc.) and guidelines.
4. Networking with key partners for the effective promotion of best practices in agricultural water management. Support to knowledge hubs and communities of practice for knowledge synthesis, dissemination, and capacity building at requisite scales.
5. Provision of water information services to underpin field and normative water activities across FAO. Coordinate, compile and disseminate data and information on water resources and water use at global level [FAO's Information System on Water and Agriculture (AQUASTAT), and linkage with the Corporate Database for Substantive Statistical Data (FAOSTAT), GeoNetwork] and
6. Develop global analysis on status and trends of water resources (specifically, for FAO's AT 2030/50 projections, the UN-World Water Development Report and inter-agency coordination on water issues – UN-Water) as well as support to natural resources perspectives studies. In particular promoting the development of a global early warning system on water quality and quantity through UN-Water.

### Organizational Result F3 - Policies and programmes are strengthened at national, regional and international levels to ensure the conservation and sustainable use of biological diversity for food and agriculture and the equitable sharing of benefits arising from the use of genetic resources

#### Lead Unit: NRD

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F3.1</b> Number of major outputs and milestones achieved, as defined by the Commission on Genetic Resources for Food and Agriculture (CGRFA) in its Multi-Year Programme of Work on biodiversity for food and agriculture which have been achieved	N/A	Two milestones and four major outputs achieved	<i>One milestone and two major outputs achieved</i>
<b>F3.2</b> Number of operational joint work plans or cooperation arrangements on biodiversity for food and agriculture with international fora, such as the Convention on	0	4	2

Indicators	Baseline	Target (end-2013)	Target (end-2011)
Biological Diversity, the World Intellectual Property Organization and the International Treaty on Plant Genetic Resources for Food and Agriculture			

#### Primary Tools for achievement of the Organizational Result

1. Provide an intergovernmental forum for policy making, including the negotiation of effective international instruments and the updating of existing instruments (e.g. Global Plan of Action for Plant Genetic Resources) on all components of biodiversity of relevance to food and agriculture, including through facilitating sessions of the CGRFA.
2. Guide and oversee: 1) assessments of the state of the world's different components of genetic resources for food and agriculture, and 2) the implementation of policy instruments on biodiversity for food and agriculture.
3. Facilitate the achievement of outputs and milestones established by the Commission's Multi-year programme of work.
4. Establish partnerships and strengthen cooperation with relevant international organizations to facilitate through policy and technical advice the implementation of instruments of relevance to biodiversity for food and agriculture.
5. Monitor trends regarding the use and exchange of genetic resources for food and agriculture to assist in articulating policy and strategy options for access and benefit-sharing policies, at national, regional and international levels, aiming at improving food security.
6. Coordinate relevant work of FAO as well as FAO's cooperation with relevant international organizations, including through appropriate permanent or ad hoc mechanisms.

#### Organizational Result F4 - An international framework is developed and countries' capacities are reinforced for responsible governance of access to, and secure and equitable tenure of land and its interface with other natural resources, with particular emphasis on its contribution to rural development

*Lead Unit: NRC*

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F4.1</b> International consensus on measures to improve governance of access to, and secure and equitable tenure of land, and its interface with other natural resources	No consensus on specific measures	Adoption of voluntary guidelines by a FAO Technical Committee and support for their implementation	<i>Draft voluntary guidelines</i>

#### Primary Tools for achievement of the Organizational Result

1. Support for the development of consensus on voluntary guidelines and policies on responsible governance of tenure, and their implementation, in the framework of the International Conference on Agrarian Reform and Rural Development (ICARRD) Declaration's vision and principles related to rural development, agrarian reform and other aspects of land tenure and through mainstreaming of the principles and actions of the Voluntary Guidelines of the Right to Food into land tenure.
2. Tools and methodologies for building capacity in the administration of natural resource tenure, including through the development of partnerships and alliances to stimulate the dissemination and application of information.

### Organizational Result F5 - Countries have strengthened capacities to address emerging environmental challenges, such as climate change and bioenergy

*Lead Unit: NRC*

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F5.1</b> Number of countries that have developed action plans to address the challenges of climate change mitigation and adaptation in agriculture	43	58	48
<b>F5.2</b> Number of countries that have developed policies, strategies or action plans to address energy issues, including bioenergy, in agriculture	0	15	7

#### Primary Tools for achievement of the Organizational Result

1. Generation and management of knowledge, data, tools, technologies, approaches, and extension practices, related to energy issues and climate change mitigation and adaptation, including assessments of climate change impact and greenhouse gas emissions and mitigation potentials in the agriculture, forestry and fisheries sectors, including for investments, disaster-risk reduction, and financial implementation mechanisms, such as payments for environmental services and REDD+.
2. Technical assistance, policy and legal guidance, including through emergency response, to strengthen countries' capacities related to environmental challenges including climate change impact assessment, mitigation and adaptation, including "climate-smart" agriculture, (climate-related) disaster-risk reduction, sustainable bioenergy development and adapted production systems.
3. Training, appropriate information, website development and other types of communication and capacity building support, including coordination of FAO activities, related to the challenges of climate change and sustainable energy in agriculture.
4. Participation in international dialogues on climate change mitigation and adaptation and sustainable energy in agriculture and in Multilateral Environmental Agreements, including technical support to countries to facilitate and make more efficient their participation in these international dialogues.
5. Advocacy and provision of inputs to intergovernmental processes to ensure that the dimensions of food, crop, livestock, forestry and fisheries are reflected in the negotiations, financial mechanisms and the implementation of international instruments addressing global challenges.
6. Development of knowledge, tools and policy guidelines related to the long term sustainability of natural resource usage in the light of ensuring food security, including global perspective studies for natural resources, green economy (Rio+20) and environmental services

### Organizational Result F6 - Improved access to, and sharing of knowledge, for natural resource management

*Lead Unit: OEK*

Indicators	Baseline	Target (end-2013)	Target (end-2011)
<b>F6.1</b> Number of countries with projects in place to enhance capacities of research and extension systems for sustainable natural resource management	25	35	30

<b>Indicators</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>F6.2</b> Number of countries implementing programmes and strategies of communication for development for sustainable natural resource management	20	30	25

**Primary Tools for achievement of the Organizational Result**

1. Development of assessment tools and strategies for countries' agricultural innovation systems for sustainable agricultural development and natural resources management.
2. Technical assistance and policy advice to countries on strengthening national agricultural innovation systems.
3. Development of a coalition with CGIAR, GFAR and other international agricultural research entities for sustainable agricultural development and knowledge availability and transfer.
4. Facilitation of dialogue to establish functional linkages among stakeholders of agriculture innovation systems and natural resources management.

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**STRATEGIC OBJECTIVE G –  
ENABLING ENVIRONMENT FOR MARKETS TO IMPROVE LIVELIHOODS AND  
RURAL DEVELOPMENT**

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**Strategic Objective G (in USD 000 at 2010-11 rates)**

Organizational Result	– Net Appropriation	– Core Voluntary	– Field Programme	Emergencies	– Total Extra-budgetary	Total
G01	14,326	4,700	17,797	1,380	23,877	38,203
G02	2,725	10	5,143	0	5,153	7,878
G03	8,331	676	4,646	71	5,394	13,725
G04	19,886	78	166	43	288	20,174
<b>Total</b>	<b>45,269</b>	<b>5,465</b>	<b>27,752</b>	<b>1,494</b>	<b>34,712</b>	<b>79,981</b>

**Issues and Challenges**

Livelihoods and rural development are affected by the extent to which small producers exploit market opportunities, and markets and institutions function efficiently in a changing environment. Agricultural producers, workers, traders, processors, input suppliers, exporters, importers and consumers are linked through local, national, regional and international markets. As a result of these multiple exchanges, incomes and employment can be generated and rural development promoted. However, the effective participation of developing country producers, especially small producers, in markets is limited and the efficient functioning of markets is constrained by inter alia inappropriate policies, low volumes, limited competitiveness, lack of information, inadequate infrastructure, weak institutions and market power asymmetries. At the same time, markets are evolving as a result of changes in technology, trade rules, structural developments, the proliferation of demanding standards and a variety of other emerging issues.

Stakeholders need analytical information concerning the nature and the implications of such changes for growth, rural poverty, rural development and food security. They also need improved capacity to participate effectively in international fora, negotiating international trade rules so that their interests are taken into account. To reduce poverty and meet development and food security needs, policy makers should have the capacity to identify and implement appropriate policies to facilitate the response of the private sector, including small producers, to new market demands and opportunities. At the same time, employment creation in agriculture or through rural enterprise and agribusiness development needs to be accompanied by policies that ensure fair and safe conditions in rural areas.

**Assumptions and Risks**

- It is assumed that there is a significant need for assistance to countries, regional bodies and other stakeholders to assess the implications of key developments and to identify market, institutional, policy and legal responses and resource mobilization strategies, paying special attention to the needs of smaller producers, landless and workers. On the one hand, it is assumed that those involved directly in production, processing and marketing activities, especially small producers, generally need to adopt a more commercial approach and improve their technical, managerial and marketing skills in order to benefit from remunerative markets. On the other hand, it is assumed that rural people, who are employed, need to be adequately remunerated and protected. Given the globalization of value chains, it is assumed that stakeholders need to be cognizant of developments in international markets and policy, and in international trade rules. Analysis and information concerning markets are needed to support the development of appropriate national and international policies. Countries must support policy design and implementation, and FAO and its partner organizations should have the capacity to assist them.
- Some ministries of agriculture and other relevant organizations may be ill-equipped to analyze, formulate or implement appropriate policies, regulations and legislation and to develop other aspects of an enabling environment for rural producers, workers, and

agribusinesses. Governments may not demonstrate the political will and financial commitment to improve the functioning of national and international markets and other institutions, and infrastructural investments to encourage greater market orientation of small producers may not be in place. There are also exogenous risks. The market possibilities of smaller enterprises may be adversely affected by the power of larger enterprises, including multinational companies. Efforts to create an enabling environment may be compromised by political, economic (including food price volatility), and environmental crises that may transcend national boundaries.

<b>Application of Core Functions to Strategic Objective G</b>								
Org Result	A - Perspectives, trend monitoring, assessment	B - Information, knowledge, statistics	C - International instruments	D - Policy advice	E - Tech support, capacity building	F - Advocacy, communication	G - Inter-disciplinary approach	H - Partnerships, alliances
<b>G1</b>	X	X		X	X	X	X	X
<b>G2</b>	X	X	X	X	X	X	X	X
<b>G3</b>	X	X		X	X	X	X	X
<b>G4</b>	X	X	X	X	X	X		X

**Organizational Result G1 - Appropriate analysis, policies and services enable small producers to improve competitiveness, diversify into new enterprises, increase value addition and meet market requirements**

*Lead Units: AGS/EST/ESA*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>G1.1</b> Number of countries that have initiated policy or strategy reforms to help small producers to increase value addition and participate in changing markets	0	10	5
<b>G1.2</b> Number of countries that are implementing programmes to reinforce the provision of extension or other services to support small producers to participate effectively in changing markets.	0	8	4

**Primary Tools for achievement of the Organizational Result**

1. A global analysis/framework on the future of smallholder farmers as agriculture and food systems transform.
2. Appraisal of market functionality at country level.
3. Develop methodologies to assist countries to carry out competitiveness, value chain, impact studies and institutional analysis.
4. Identify best practices for developing equitable, efficient and sustainable linkages between the private sector and small producers.
5. Support to countries on policies to reorient extension and other support services to better meet the needs of small producers.
6. Extension guides on farm management, marketing and post-harvest handling.

7. Promote policies and mechanisms for improving financial services provision for small producers.
8. Advisory material and support to value chain actors and organizations that work with producers on the planning and design of market-oriented infrastructure.
9. Support to value chain actors and organizations that work with producers on rural finance, post-harvest operations, contract farming, linking producers to markets, market infrastructure, and input and equipment supply.
10. Contribute to the development of appropriate risk management tools for producers.

**Organizational Result G2 - Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships**

**Lead Units: ESW/NRL**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>G2.1</b> Number of countries which have revised their agriculture and rural development policies or programmes to give greater attention to decent rural employment, access to land or income diversification	0	8	4

**Primary Tools for achievement of the Organizational Result**

1. Establishment and maintenance of a database with primary data and information on sources of income and other socio-economic characteristics of rural households, including land tenure and access to land.
2. Policy-relevant analytical work on rural households' sources of income, and patterns and trends in farm and off-farm employment, land tenure and access to land, including gender- and age-specific differences.
3. FAO self-assessment, strategy, and work programme on decent rural employment and access to land developed and accessible through the FAO-ILO website and other channels.
4. Policy advice to create more quality rural employment and promote access to land in agricultural and non-agricultural rural sectors.
5. Capacity building and advocacy work to support the revision and/or development of strategies, policies and programmes that are more conducive to decent rural employment and access to land.
6. Promote age- and sex-disaggregated data collection and analysis of rural employment, access to land and income issues.
7. ILO standards and conventions and FAO-negotiated and voluntary standards and codes of practice relevant to rural employment and access to land concerns.

**Organizational Result G3 - National and regional policies, regulations and institutions enhance the developmental and poverty reduction impacts of agribusiness and agro-industries**

**Lead Units: AGS/EST**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>G3.1</b> Number of countries with policies and strategies for enhancing the developmental impacts of agribusiness	0	10	5
<b>G3.2</b> Number of Ministries of Agriculture with institutional mechanisms for agribusiness, agro-industries or engaging the private sector in agricultural development	To be determined	6 more countries have completed the development of institutional mechanisms	<i>6 more countries have begun to develop institutional mechanisms</i>
<b>G3.3</b> Number of countries that have initiated programmes to reinforce public and private sector support to small- and medium agricultural enterprises	0	10	5

**Primary Tools for achievement of the Organizational Result**

1. Appraisal of trends and policy responses.
2. Support countries in developing sectoral strategies for agribusiness and agro-industries, with special focus on producer organizations and SMEs.
3. Promote actions to improve financial services to agribusiness, especially small producers, SMEs and producer organizations.
4. Support governments in formulating strategies and policies for mechanization.
5. Provide guidance on public sector roles and responsibilities for contract intermediation, conflict resolution, and promotion of responsible business practices.
6. Build capacity of organizations that provide support to agricultural SMEs and producer organizations.
7. Support piloting and appraisal of SME value-adding technologies and value-chain innovations.
8. Contribute to the development of appropriate risk management tools for agro-enterprises.

**Organizational Result G4 - Countries have increased awareness of, and capacity to analyse, developments in international agricultural markets, trade policies and trade rules to identify trade opportunities, and to formulate appropriate and effective pro-poor trade policies and strategies**

**Lead Unit: EST**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>G4.1</b> Number of page views/visits to FAO web sites containing information and analysis on developments in	To be determined	Increase/same	<i>Increase/same</i>



<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
international agricultural commodity markets, trade policy and related trade negotiations issues			
<b>G4.2</b> Percentage increase in number of officials receiving FAO capacity development in the use of market and trade related information and analysis in market and trade related policy formulation targeted at enhancing smallholders' livelihoods and promoting rural development	0	50%	25%
<b>G4.3</b> Number of countries which have formulated market or trade related policies with explicit objectives related to improvements in smallholders' livelihoods	To be determined	8 additional countries	<i>4 additional countries</i>

#### **Primary Tools for achievement of the Organizational Result**

1. Monitoring, statistical information and analysis of situation and outlook for international markets for agricultural products.
2. Analysis of standards in international agricultural trade.
3. Analysis of trade policies and strategies.
4. Monitoring and analysis of changes in trade rules under multilateral and regional trading arrangements.
5. Advice, training support and assistance in market information and analysis.
6. Advice, training support and assistance related to standards and certification.
7. Advice, training support and assistance in policy formulation.
8. Advice, training support and assistance on international trade negotiations - workshops, roundtables and technical assistance.
9. Tracking trends and use of information and analysis.

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**STRATEGIC OBJECTIVE H -  
IMPROVED FOOD SECURITY AND BETTER NUTRITION**

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**Strategic Objective H (in USD 000 at 2010-11 rates)**

<b>Organizational Result</b>	<b>– Net Appropriation</b>	<b>– Core Voluntary</b>	<b>– Field Programme</b>	<b>Emergencies</b>	<b>– Total Extra-budgetary</b>	<b>Total</b>
H01	23,419	4,852	40,099	20,105	65,056	88,475
H02	4,941	5,797	2,795	72	8,664	13,604
H03	6,147	1,693	8,436	44	10,174	16,321
H04	19,584	3,987	8,949	85	13,022	32,606
H05	33,090	4,082	15,000	50	19,132	52,221
<b>Total</b>	<b>87,181</b>	<b>20,411</b>	<b>75,279</b>	<b>20,357</b>	<b>116,047</b>	<b>203,228</b>

**Issues and Challenges**

Growth in income is contributing to hunger reduction in many countries around the world and this trend is projected to continue in the future. However, not everyone benefits and it is now clear that it may not be feasible to meet the World Food Summit and Millennium Development Goal (MDG) hunger reduction targets by 2015. At the same time, food insecurity and malnutrition act as a brake on economic development, and targeted and purposeful actions must be urgently taken to accelerate reductions in hunger and malnutrition, and to raise levels of food and nutrition security for all.

FAO's most recent estimates put the number of hungry people at 925 million in 2010, down from the high of 1020 million in 2009, but still an increase of more than 180 million over the 1990-92 base period. Moreover, micronutrient malnutrition affects about 2 billion people worldwide, – more than 30 percent of the world's population. Globally 10 million children die before their fifth birthday every year - over a third of these deaths associated with undernutrition. One in three developing country children under the age of five – 178 million children – suffer stunting due to poor quality diets and disease.

In perspective, challenges to food security include demographic changes (population growth and urbanization) that increase demand for food and alter dietary patterns at the same time as environmental pressure is leading to widespread land degradation and water shortages, increased smallholder marginalization and transboundary movement of diseases. Efforts to overcome food insecurity and malnutrition are made more arduous by the impact of still high and volatile food prices, the continuing financial and economic downturn, the longer term impact of climate change and climate variation, and agricultural resources to produce biofuel.

As events in 2008-10 have demonstrated, national, regional and global capacities in support of appropriate and effective governance for food security and nutrition are weak. Economic, political, institutional, regulatory, legal and social frameworks must be strengthened for food and nutrition security objectives to be achieved and in support of the realisation of the right to food.

The magnitude of hunger, food insecurity and malnutrition has been assessed in many countries; however, there remains insufficient understanding of the prevalence and root causes of food insecurity and malnutrition among vulnerable groups at sub-national levels. Timely and forward-looking assessments and analyses are needed for the design and implementation of appropriate policies, prioritised investment programmes and interventions to address food and nutrition security challenges.

The immediate needs of most vulnerable populations must be met, while at the same time building longer-term resilience by tackling the underlying causes. Consequently, up-to-date information, analyses, policies and programmes are needed for determining the underlying causes of food insecurity and malnutrition and for identifying and implementing effective solutions. Bringing together FAO's knowledge for targeted initiatives and programmes supported by consistent, coherent and effective action at country (including sub-national), regional and global levels is a prerequisite to achieve this Strategic Objective.



**Organizational Result H1 - Countries and other stakeholders have strengthened capacity to formulate, implement and monitor coherent policies, strategies and programmes that address the root causes of hunger, food insecurity and malnutrition**

*Lead Units: ESA/TCS*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>H1.1</b> Number of countries and Regional Economic Integration Organisations (REIOs) that have formulated sectoral and cross-sectoral food security and nutrition policies, strategies or programmes (including NPFS/RPFS)	0 countries	(i) 17 countries (NPFS) and 4 REIOs (RPFS); (ii) ex-ante policy/programme assessments in 6 countries	(i) 11 countries (NPFS) and 2 REIOs (RPFS) (ii) ex-ante policy/programme assessments in 3 countries
<b>H1.2</b> Number of countries and REIOs that have implemented sectoral and cross-sectoral food security and nutrition policies, strategies and programmes (including NPFS/RPFS)	16 NPFS and 4 RPFS	(i) 33 NPFS and 8 RPFS (ii) 10 countries (food security and nutrition policies)	(i) 27 NPFS and 6 RPFS (ii) 5 countries (food security and nutrition policies)
<b>H1.3</b> Number of countries piloting a cross-sectoral results-based policy and programme monitoring system covering food insecurity, hunger and/or malnutrition concerns	0	5	2

**Primary Tools for achievement of the Organizational Result**

1. Advocacy and cross-sectoral collaboration: Development and dissemination of lessons learnt on policy processes and management, raising awareness of, and developing evidence-based advocacy strategies, while working through partnerships and alliances across agencies and at national and regional levels, including through improved information and communication, to advocate for investment in prioritised cross-sectoral food security and nutrition programmes.
2. Monitoring and analysis: Develop and deliver methods and tools for strengthening global, regional and national food security information and early warning systems, including support to national FIVIMS, poverty and vulnerability assessments in support of better-targeted and prioritised policies and programmes. In addition, provide methods and tools for *ex ante* socio-economic policy and programme impact assessments, policy and programme monitoring and intelligence systems, and technical assistance for results-based policy monitoring systems.
3. Provision of FAO policy and programme advice: Conduct global, regional and country analysis of impacts of macroeconomic, agricultural and socio-economic policies and programmes on food and nutrition, and the impacts of food security and nutrition policies on development objectives of the country; and preparation of policy profiles and frameworks on food security and nutrition-related emerging issues, and technical advice on ways to address food and nutrition security issues sectoral and cross-sectoral policies, strategies and programmes.
4. Capacity development and institution building: Provision of technical and institutional support for: the development of analytical and methodological tools for *ex-ante* policy impact analysis and policy monitoring; development, implementation, monitoring and evaluation of national and regional food security programmes; negotiations skills; participatory and sustainable food security and nutrition strategy and policy formulation; the reduction of post-harvest production; and losses and enhanced efficiencies in the food system and/or value chain.

**Organizational Result H2 - Member countries and other stakeholders strengthen food security governance through the implementation of the Voluntary Guidelines to Support the Progressive Realisation of the Right to Adequate Food in the Context of National Food Security and a reformed Committee on World Food Security**

*Lead Unit: ESA*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>H2.1</b> Number of countries in which institutions have adopted and applied principles of good governance in the formulation, implementation or monitoring of food and nutrition policies and programmes	0	5	3
<b>H2.2</b> Number of countries that have developed or strengthened legal, institutional, or policy frameworks for the progressive realisation of the right to adequate food	0	10	7
<b>H2.3</b> Number of countries that have undertaken advocacy, communication and/or education strategies in support of the right to food	0	10	7
<b>H2.4</b> Number of FAO policy documents that provide ways and means to strengthen global food security governance	0 documents	4 documents	2 documents

**Primary Tools for achievement of the Organizational Result**

1. Conceptual guidance on the development and implementation of strengthened food security governance at global and country levels.
2. Capacity development and advocacy on the application of rights-based approach and the principles of good governance (including transparency, accountability, participation, non-discrimination, empowerment, and respect for the rule of law).
3. Application and adaptation of FAO's Right to Food Methodological Toolbox (comprising guides and methodological tools on how to legislate, monitor, assess, budget for the right to food, including the right to food curriculum development) to guide and promote policies, strategies, programmes and public actions.
4. Assessment and analysis of population groups most vulnerable to food insecurity and malnutrition.
5. Knowledge generation and exchange with national and international partners on the application of the right to food and human rights-based approaches, including the collection, analysis and dissemination of best practices and lessons learned.
6. Provision of a multi-stakeholder platform for dialogue and exchange of lessons learned on the implementation of good governance and the right to food (e.g. CFS, GPFS, RTF Forum).
7. Secretariat support service to the CFS process.
8. Analysis, advocacy and technical advice for strengthened global food security.
9. Technical and policy advice on legal, institutional and social reforms.
10. Integration of the right to adequate food and human rights' principles and approaches in FAO's normative and operational work.

### Organizational Result H3 - Strengthened capacity of member countries and other stakeholders to address specific nutrition concerns in food and agriculture

#### Lead Unit: AGN

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>H3.1</b> Number of countries that have incorporated nutrition objectives into sectoral policies and/or into their Poverty Reduction Strategy (PRS)	0	6	3
<b>H3.2</b> Number of countries that have assessed and analysed the impact of changing food systems on nutrition	0	4	2
<b>H3.3</b> Number of countries that have developed and endorsed national dietary guidelines and/or have implemented national nutrition education programmes	0	6	3

#### Primary Tools for achievement of the Organizational Result

1. Provision of household food security and nutrition expertise, methods, guidelines and analytical tools for supporting food and nutrition policy, strategy and programme formulation and implementation, selecting appropriate food-based interventions and for assessing impact.
2. Household and individual level assessment of the food and nutrition security situation and trends, including dietary diversity and food access measures, and analysis of factors affecting population groups most vulnerable to food insecurity and malnutrition.
3. Advice on incorporating nutrition objectives into food and agricultural policies and programmes to address identified food-related nutrition problems.
4. Build capacity in the development of science-based national dietary guidance and regulations, and develop educational and communication resources on improving nutrition and the diversity of diets for dissemination and adaptation at local, national and regional levels.
5. Upgrade countries' institutional abilities to develop and implement nutrition curricula and professional training programmes at all levels to assist countries raise the level of capacity and understanding of the importance of nutrition concerns in the broader policy/programme environment.

**Organizational Result H4 - Strengthened capacity of member countries and other stakeholders to generate, manage, analyse and access data and statistics for improved food security and better nutrition**

**Lead Unit: ESS**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>H4.1</b> Number of countries using FAO guidelines, methodologies or standards for collecting, analysing and disseminating data and statistics on food and agriculture	25	40	35
<b>H4.2</b> Number of countries supported by FAO to conduct training in data collection, compilation, analysis or dissemination of food and agricultural statistics	25	55	40
<b>H4.3</b> Access to FAO databases and statistical publications as measured by the average number of hits per month on the FAOSTAT Web site	6 million hits	7 million hits	6.5 million hits

**Primary Tools for achievement of the Organizational Result**

1. Capacity building on food balance sheets, agricultural census and household budget surveys.
2. Developing global datasets on food security situation and trends.
3. Promoting greater sharing and consolidation of food security and nutrition data and statistics.
4. Promoting the adoption or development of data and information management systems, such as CountrySTAT.
5. Adapting and developing new and appropriate statistical methods.
6. Providing technical support to improve countries' capacity to analyse data and statistics in order to better assist decision-makers to formulate sound food security and nutrition policies and programmes.
7. Developing strategies in support of sustainable national statistical services.
8. Promoting the production of supply/utilization accounts and food balance sheets. (SUAs/FBSs), including statistics on macro-nutrient and micro-nutrient availability.
9. Promoting the generation and dissemination of food security statistics from household surveys.

**Organizational Result H5 - Member countries and other stakeholders have access to FAO analysis and information products and services on food security, agriculture and nutrition, and strengthened own capacity to exchange knowledge**

*Lead Units: ESA/OEK*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>H5.1</b> Average number of web visitors per month searching for FAO knowledge and information resources, products or expertise on food security, agriculture and nutrition	4 million visitors	6 million visitors	<i>5 million visitors</i>
<b>H5.2</b> Number of FAO 'flagship' publications, peer reviewed books or journal articles, and other major publications documenting food security and nutrition-related research and analysis	15 publications	20 publications	<i>17 publications</i>
<b>H5.3</b> Number of member country institutions, partners or other stakeholders using FAO's information and knowledge management standards, tools or services (AGROVOC, AGRIS and AGMES)	130 institutions, partners or other stakeholders	260 institutions, partners or other stakeholders	190 institutions, partners or other stakeholders

**Primary Tools for achievement of the Organizational Result**

1. Publish country, regional and global FAO research and analytical materials on food security, poverty, agriculture and nutrition (i.e. working papers, journal articles, policy briefs, etc.).
2. Publish FAO-targeted information/knowledge products, including flagship publications (SOFA, SOFI), periodic reports and key documents on emerging issues relevant to food security, agriculture and nutrition (Food Outlook, CPFS, CFSAM Reports, Agricultural Outlook).
3. Conduct socio-economic analysis on global perspective issues related to major long-term global food, nutrition, agriculture and natural resources issues with the objective to inform policy decisions and development plans based on analysis of information and informed judgement.
4. Conduct household analysis relevant to address rural poverty, food insecurity, and income and employment issues.
5. Develop and deliver methods, tools, guidelines and learning materials to standardize and harmonize food security and nutrition information (ISFNS, EC/FAO Food Security Thematic Programme).
6. Develop global analysis and monitoring services and advocacy for improved decision-making towards improved food and nutrition security (CFS, FAOSTAT, GIEWS, ISFNS, Nutrition Country Profiles).
7. Global, regional and national fora on food security and nutrition supported by FAO (CFS, technical meetings, high-level meetings).



8. Development of face-to-face and virtual knowledge exchange events and platforms, and knowledge sharing services on current and emerging issues at global, regional, national and local levels (e.g. CFS, CCP, regional/national fora).
9. Development and dissemination of FAO standards, methods, tools, systems and learning materials related to information management and knowledge sharing.
10. Undertake assessments and appraisals of capacity gaps in information and knowledge to strengthen food and nutrition security.
11. Support to regional, national and local capacity development in management and exchange of information and knowledge.
12. Development of platforms for documenting experiences, sharing good practices and lessons learned.

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**STRATEGIC OBJECTIVE I -  
IMPROVED PREPAREDNESS FOR, AND EFFECTIVE RESPONSE TO,  
FOOD AND AGRICULTURAL THREATS AND EMERGENCIES**

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**Strategic Objective I (in USD 000 at 2010-11 rates)**

Organizational Result	– Net Appropriation	– Core Voluntary	– Field Programme	Emergencies	– Total Extra-budgetary	Total
I01	4,751	2,489	10,315	72,675	85,479	90,230
I02	1,924	285	5,059	35,746	41,091	43,015
I03	2,346	2,385	6,988	265,732	275,104	277,450
<b>Total</b>	<b>9,021</b>	<b>5,159</b>	<b>22,362</b>	<b>374,153</b>	<b>401,675</b>	<b>410,696</b>

**Issues and Challenges**

Three out of four people in developing countries live in rural areas and depend predominantly on agriculture for their livelihoods. Emergencies tend to have the most severe consequences on the food security and livelihoods of poor, vulnerable and agriculture-dependent populations. The nature of these crises ranges from sudden and slow-onset natural disasters, complex emergencies (post conflict and protracted crises), transboundary animal and plant pests and diseases, food chain emergencies and economic and social emergencies (price volatility, market failures, HIV/AIDS).

The Centre for the Research on the Epidemiology of Disasters reported 321 disasters associated with natural hazards in 2008. Climate-related disasters caused nearly three-quarters of the damage inflicted in the same year and the number of deaths caused by natural hazards was three times the average for 2000-2007. Climate change and variability are increasing the frequency and severity of natural disasters and are affecting the incidence of transboundary pests and diseases. Complex emergencies also continue to affect tens of millions of people globally. In response to some of these needs, the 2009 UN Humanitarian Consolidated Appeal reported that 30 million people required assistance at a record high of USD 8.2 billion, as compared with USD 3.8 billion in 2008 for 25 million people.

Disasters and crises put nutrition and food security at risk and finding ways to reduce and manage this risk is the fundamental purpose of Strategic Objective I. Adopting disaster risk management (DRM) systematically in the food and agriculture sectors increases the resilience of vulnerable populations and their capacity to recover from disasters in a sustainable manner. Crises and disasters have devastating impacts, but they can also create opportunities to *build back smarter*. These opportunities can offer momentum for creating more robust structures and institutions, as well as introducing more sustainable agricultural and natural resource management practices, and in turn improve food security and strengthen community resilience.

FAO is developing an integrated approach to DRM that aims to reduce the vulnerability of people before, during and after disasters. This approach promotes capacity development for risk reduction and livelihood resilience, ensures that disaster-affected populations recover swiftly from the initial damage and disruption and that affected people are once again able to benefit from interventions focused on sustainable development. Proactive strategies are essential if vulnerable countries are to avoid large-scale loss of life, destruction of the environment, infrastructure and economic activity, and degradation of livelihoods and nutrition. Emergency preparedness, response and rehabilitation must address the specific needs of agriculture-based populations, particularly smallholders, pastoralists, fishers, forest users, landless farm workers and their dependants, with particular focus on food insecure and nutritionally vulnerable groups. At the same time, longer-term measures, institutional capacities and agricultural technologies for preventing and mitigating the adverse impacts of crises on the most vulnerable people and places need to be promoted and sustained. Collaboration with primary actors, such as UN agencies and partners (UNISDR, GFDRR), regional organizations, national counterparts and other sectors (such as health, education, environment, social affairs) must ensure integrated support at global, regional and national levels.



**Organizational Result II – Countries’ vulnerability to crisis, threats and emergencies is reduced through better preparedness and integration of risk prevention and mitigation into policies, programmes and interventions**

**Lead Units: TCE/EST/NRC**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>II.1</b> Number of vulnerable countries having established or taking steps to improve early warning systems for agriculture and food security using coordinated platforms.	16	35	25
<b>II.2</b> Number of countries and partners having incorporated agriculture and food security into contingency plans.	10	15	10
<b>II.3</b> Number of high risk disaster hotspot countries with specific Disaster Risk Reduction action plans for agriculture included in their national DRM plans	7	15	11

**Primary Tools for achievement of the Organizational Result**

- 1. Good governance for disaster risk reduction (DRR) and institutional strengthening:** support governments to develop DRR strategies and plans with focus on agriculture, forestry and fisheries; mainstream agriculture-related DRR measures into sectoral policies and plans, and national disaster risk reduction and management strategies and plans; promote integration and links between disaster risk prevention, mitigation, preparedness, early warning and humanitarian assistance for emergency response; assess and enhance institutional and technical delivery capacities for DRR/M within sectoral line departments and extension services; provide capacity development and training to integrate DRR/M practices and principles into sectoral development plans or country programming; advise food security/ agricultural/ nutrition line agencies on operational strategies.<sup>49</sup>
- 2. Integrated Risk Assessment, Monitoring, Analysis and Early Warning (EW):** develop and apply services and products for enhanced EW systems and food security and nutrition situation analysis (GIEWS information and tools, GIEWS workstation, climate forecasts, RADAR, IPC platform); promote partnerships to streamline, strengthen and mobilize funds for local, national, regional and global EW systems (EWSs); develop, test and institutionalize enhanced Hazard, Livelihood and Vulnerability Baseline methodology, conflict prevention and mitigation tools; support capacity development at national and regional levels focused on risk assessment, preparedness and contingency planning and EWSs; harmonize EW services and products at country level to enhance monitoring of the multiple threats to food and nutrition security; reinforce EMPRES-led capacity building programme at national and regional levels on risk assessment, management and communication; improve risk analysis and coordination of food chain risk management in intergovernmental processes; integrate disease and pest monitoring and control in a crisis context, including climate change; provide and facilitate access to integrated databases for food chain risks.

<sup>49</sup> This advice would focus on ways to (1) better link DRR/M and climate change adaptation; (2) address land use planning and tenure in the context of extreme events, armed conflicts, complex crises or encroachment into new habitats; (3) support legal frameworks on DRR/M for agriculture, food security and nutrition; (4) integrate agriculture, food security and nutrition in national preparedness / contingency plans.

3. **Capacity development and technical support on preparedness for effective response:** develop a preparedness plan for FAO (headquarters) and plans in focus countries and implement priority actions (upsurge capacity, logistic and procurement preparedness, standard operating procedures, enhanced crisis management centre); implement an FAO Training Package in Disaster Preparedness, including guidelines/support to contingency planning developed and used internally and with partners; establish and train FAO response teams for rapid deployment with core functions delivered for different types of emergencies; enable agriculture and/or food security cluster groups to assist governments in contingency planning, coordination and networking for DRR; help Governments and other stakeholders, including local communities, to develop integrated disaster preparedness plans and practices applying a holistic approach; further mainstream disaster preparedness in emergency and rehabilitation activities.
4. **Technical support and capacity development for enhanced application of technologies for prevention, mitigation and sustainable natural resource management:** promote and implement interdisciplinary programmatic approaches and technologies at country level to reduce future risks, mitigate shocks and build resilience; identify and promote good practices for enhanced livelihood resilience in agriculture (forestry, fishery and livestock) in the context of recurrent and/ or extreme events; enhance household adaptive capacities in resilience; promote infrastructure and agricultural services development and appropriately designed food safety risk management programmes in the context of recurrent crises; develop guidance on how to integrate conflict analysis with DRR; mainstream DRR, particularly the application of approaches and technologies, into post disaster recovery and into development programming; develop cost benefit analysis tools to support mitigation choices/activities; support national efforts in capacity development.
5. **Knowledge management and strategic partnerships for DRR:** provide FAO expertise and knowledge for disaster risk profiling, monitoring and analysis and for disaster preparedness and mitigation policies and planning; document good practice options for climate risk management in international DRR and CCA databases communicate good practice on knowledge-sharing and lessons learned for preparedness, prevention, mitigation through a systematic approach and integrated into projects/programmes; promote and develop partnerships through strategic participation at interagency and intergovernmental processes, and conventions and conferences; advocate for the better integration of DRR and CCA concepts within UNFCCC and UNISDR led processes; attract funding for preparedness, prevention and mitigation; develop a strategy for collecting, organizing and sharing FAO's contribution and capacities in DRR, to enhance internal and external visibility, knowledge, advocacy and resource mobilization for member countries.

## Organizational Result I2 - Countries and partners respond more effectively to crises and emergencies with food and agriculture-related interventions

### Lead Unit: TCE

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>I2.1</b> Percentage of countries where FAO has participated in needs assessments leading to time critical actions that support coordinated national response plans and activities.	41%	75%	50%
<b>I2.2</b> Number of countries supported by FAO that have implemented the food security cluster approach to	26	49	37

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
formulate and manage emergency response			
<b>I2.3</b> Percentage of countries where FAO emergency projects and programmes analyzed gender and formulated and monitored response based on gender-differentiated needs	43%	80%	50%

### **Primary Tools for achievement of the Organizational Result**

1. **Improved partnerships, coordination and leadership**, including: global and country level support for effective cluster leadership; relevant, reliable information on food security related to crisis disseminated to the right people at the right time; cluster communication and information toolkit developed; and active partnership in IASC, UNCT and international and national fora; training and guidance on food security cluster.
2. **Advocacy and resource mobilization**, including: advocacy strategies and tools developed and in place; emergencies communication strategy implemented; resource mobilization strategy developed for, and with headquarters, liaison and field offices; and flexible and fast funding mechanisms established.
3. **Standardize protocols and procedures for organized response, assessments, and strategic planning**, including: Emergencies Handbook developed for FAO; active use of internal and external partnerships in well-designed, relevant, timely and multidisciplinary assessments; training programme for partners developed and implemented; region-specific strategic emergency framework in place; Crisis Management Centre approach for food chain emergencies; emergency response system development for FAO rapid response to sudden-onset and large emergencies; Emergency Response Roster and surge capacity development; revised Plan of Action Guidelines; Livelihood Assessment Toolkit (LAT); Resilience Tool; IPC, Response Analysis Framework (RAF) and Gender Marker.
4. **Standards, do no harm and building back better principles, and good practices for response**, including various toolkits and guidelines developed for emergencies depending on the type of crisis, such as seed specifications, fertilizer, use of pesticides, processing and storage technologies to facilitate interim food preservation, livestock emergency guidelines, fisheries and aquaculture emergencies guidelines, food safety emergency guidelines, needs assessment guidelines, watershed management approaches, slope stabilization techniques, rehabilitation of livelihood principles.
5. **Appropriate and timely recovery interventions**, including: response plan developed based on appropriate partnerships and promoting high quality standards; implementation: targeted households have improved conditions compared with pre-emergency; project/ programme monitoring aligned with RBM SO I monitoring; enhanced capacity of partner institutions, organizations and households for direct emergency response; and support to development of national policies relating to emergencies.

### Organizational Result I3 - Countries and partners have improved transition and linkages between emergency, rehabilitation and development

**Lead Unit: TCE/TCS**

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>I3.1</b> Percentage of countries supported by FAO that have developed and deployed <u>rehabilitation plans or resource mobilization strategies</u> for agricultural recovery and transition	29%	75%	40%
<b>I3.2</b> Percentage of countries with FAO-supported capacity development post-crisis that have implemented measures to strengthen the resilience of food and agricultural systems	43%	80%	60%
<b>I3.3</b> Percentage of FAO-supported emergency interventions that have included exit strategies and linked medium- to long-term recovery and development objectives	15%	35%	20%

#### Primary Tools for achievement of the Organizational Result

- Capacity of governments, local institutions, communities and other stakeholders enhanced** to link immediate needs for relief to longer-term recovery and development objectives, including: increased national institutional capacity through appropriate capacity development; use of the resilience tool; sector analysis in support of food and agricultural systems; and short-term contingency plans integrated into longer-term planning.
- Formulated response, rehabilitation and transition strategy plans that are harmonized and aligned with government policies and programmes**, including: NGOs/CSOs/ community groups/ women's groups involved at all stages of programme design; increasing national ownership and development of a livelihood recovery strategy; harmonized national development plans through one-UN type approaches which should start with one FAO Country Programme Framework (CPF); multidisciplinary teams (FAO, donors, local institutions) established and deployed to assess transitional needs based on which country response programme should be amended; CPF formulation and implementation, ensuring integration of the emergency Plans of Action with the FAO CPF and linkages to UNDAF, SWAPS, CCAs, and other country level planning framework; joint training with planning workshops; involving local institutions; co-management with government and communities, particularly for fisheries; and National Forest Programmes.
- Knowledge management for informed decision-making by partners**, including: good practices and lessons learned are documented and disseminated to appropriate audiences; HPAI intervention facilitating policies and programmes to other diseases; feeding back lessons learnt into policies and training; and partners have access to relevant information and references guidelines.
- Mainstreaming of good development practices into emergency transition programmes**, including: response planning incorporates transition plans starting from initial stages of

emergency; strategic documents for emergency and transition include exit strategies and are harmonized and aligned with national plans; programme approach includes: elements of medium- to long-term development goals; strategies to increase resilience, enhance productivity, and sustain livelihoods; and types of programmes, such as seed policy formulation, mangrove rehabilitation, fishery rehabilitation programmes, Farmers Field Schools (FFS), integrated food safety programmes, production planning and coordination of farmer market linkages, enterprise management, watershed management programmes.

5. **Effective advocacy and donor coordination in favour of transition**, including: resource allocation mechanisms for transition established; advocacy tools for donors to secure longer-term funding; donors sensitized to the importance of funding for transition; resources allocated identified for transition during emergency phase (including SFERA-like funding and long-term cluster coordination); adequate resources are mobilized for post-emergency activities; advocacy and communication for funding transition (and building in-country support and ownership; use of IPC situation analysis for transition; and CWGER: policy dialogue to create space for transition funding.



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**STRATEGIC OBJECTIVE K -  
GENDER EQUITY IN ACCESS TO RESOURCES, GOODS, SERVICES AND  
DECISION-MAKING IN THE RURAL AREAS**

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**Strategic Objective K (in USD 000 at 2010-11 rates)**

<b>Organizational Result</b>	<b>– Net Appropriation</b>	<b>– Core Voluntary</b>	<b>– Field Programme</b>	<b>Emergencies</b>	<b>– Total Extra-budgetary</b>	<b>– Total</b>
K01	822	0	1,623	0	1,623	2,446
K02	2,439	149	3,499	2,000	5,648	8,087
K03	4,728	18	2,623	10	2,651	7,379
K04	7,456	25	25	0	50	7,506
<b>Total</b>	<b>15,446</b>	<b>192</b>	<b>7,770</b>	<b>2,010</b>	<b>9,972</b>	<b>25,418</b>

**Issues and Challenges**

Gender inequalities and other forms of social inequities are a significant challenge in the quest for equitable social and economic development and this has a direct effect on food, nutrition and income security. Without addressing social and gender inequalities, the global community will not achieve the goals and aspirations of the World Food Summit and Millennium Development Goals. Men and women play different and complementary roles in agriculture but gender bias in a range of institutions, including government, social norms, families and markets, limits women's ability to access resources, goods and services and to make informed decisions about their productive use. Evidence indicates that recent developments such as climate change, food and energy price volatility and large land acquisitions will further exacerbate gender and other socio-economic inequalities in access to productive resources. It has often been observed that economic strategies intended to promote agriculture and rural development are not always beneficial to rural populations particularly women, and sometimes amplify existing socio-economic disparities and marginalization.

Although a number of countries have shown some progress in embracing a more gender and socially inclusive approach in agricultural policy formulation and implementation, critical gaps remain. First, prevailing cultural biases and lack of political results in uneven adoption and implementation of internationally agreed policies and conventions on gender and social equality and women's empowerment. Second, the data needed to understand gender differentiated access to productive resources and its impacts on rural poverty reduction and economic growth are scarce. Third, “gender blindness” in policies and programmes has decreased slightly, but the capacity of policymakers and technical staff in many developing countries remains weak, slowing progress and hindering the integration of gender issues in development programmes. Fourth, even where progress has been made, capacity to sustain policy implementation, monitoring and evaluation of results and impact is often weak. It is possible to address those critical gaps and reach a better level of gender equality in access to resources, goods and services and decision making in rural areas, which is the overall aim of this Strategic Objective.

Although FAO has a clear comparative advantage in addressing rural gender and social equality in agriculture, this requires sharp and sustained focus on the following areas: capacity building both within FAO and among countries (national level) to ensure that achieving gender equality is seen and treated as a mainstream policy and programming issue; sustained generation, analysis and dissemination of information and statistics on various aspects and trends that have significant implications for gender inequality in order to support the timely formulation and implementation of appropriate policies; developing a strong partnership to facilitate the incorporation of rural gender issues in relevant UN policies, UN Joint Programmes and FAO Field Programme in order to leverage resources and to efficiently scale-up rural gender issues;

### Assumptions and Risks

- Assumption that FAO will remain a centre of knowledge and point of reference on rural gender issues.
- Assumption that FAO will expand the envelop of resources for rural gender mainstreaming in the programme of work and budget.
- Assumption that countries and other institutions will continue to request FAO technical support in rural gender issues.
- Assumption that the One UN pilot programme will succeed and thus UN joint programming will become the modus operandi for UN support at country level.
- Risk that national priorities fail to consider and plan development interventions to meet the gender differentiated needs, priorities and aspirations of men and women.
- Risk that political, economic and cultural biases diminish stakeholder appreciation, understanding, and implementation of the social and economic changes needed to address gender inequalities.
- Risk that countries, UN agencies, other development partners, FAO governing bodies and senior management fail to show commitment to achieving gender and social equality.
- Risk that inadequate data make it difficult to analyse trends in social and gender issues, identify needs and priorities, and support the development of appropriate gender plans and policies.

Application of Core Functions to Strategic Objective K								
Org Result	A - Perspectives, trend monitoring, assessment	B - Information, knowledge, statistics	C - International instruments	D - Policy advice	E - Tech support, capacity building	F - Advocacy, communication	G – Inter-disciplinary approach	H - Partnerships, alliances
<b>K1</b>		X	X	X	X	X		X
<b>K2</b>		X	X	X	X	X	X	
<b>K3</b>	X	X	X	X	X	X	X	X
<b>K4</b>				X	X	X	X	

### Organizational Result K1 - Rural gender equality is incorporated into UN policies and joint programmes for food security, agriculture and rural development

*Lead Unit: ESW*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>K1.1</b> Number of countries receiving FAO assistance that have formulated gender-sensitive UN joint programmes	0	5	3
<b>K1.2</b> Number of “Delivering as One” countries receiving FAO assistance that have included rural gender issues in their programmes	0	4	1

### Primary Tools for achievement of the Organizational Result

1. Assess current mechanisms, tools and approaches to gender mainstreaming within the One UN framework with the view of identifying needs, gaps and entry points for FAO's technical support in this field.
2. Develop tools and methodologies to inform UN System common approaches based on identified gaps and entry points.

3. Develop more effective partnerships within the UN system and with other relevant stakeholders, building on existing National Medium Term Priority Frameworks, One UN pilots, UN Joint Programmes, and other UN system wide approaches and frameworks.
4. Provide technical assistance to support the uptake of rural gender issues in UN joint programmes and policies.

**Organizational Result K2 - Governments develop enhanced capacities to incorporate gender and social equality issues in agriculture, food security and rural development programmes, projects and policies using sex-disaggregated statistics, other relevant information and resources**

*Lead Unit: ESW*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>K2.1</b> Number of national institutions or initiatives receiving FAO's technical support that have adopted the socio-economic and gender analysis (SEAGA) tool or other similar methodologies for policy, programme or projects	10	16	12
<b>K2.2</b> Number of countries that collect, analyse and use sex-disaggregated food and nutrition security and rural development data	15	25	20

**Primary Tools for achievement of the Organizational Result**

1. Assess current and emerging capacity development needs in targeted countries in order to identify areas requiring FAO intervention in gender mainstreaming in agriculture, food security, and rural development.
2. Support efforts of governments and other stakeholders to design and provide training that develops skills for gender and socio-economic analysis, participatory policy making and programme development.
3. Provide technical support for the collection, analysis and utilization of sex-disaggregated data and statistics in policy-making.
4. Develop, revise and/or adapt materials and resources including tailor-made training modules to address rural gender issues in specific technical areas (e.g. emergencies, fisheries, livestock, climate change, knowledge sharing and communication, etc).
5. Provide training on the "how to" of gender mainstreaming among selected countries based on the SEAGA approach and other tools.

**Organizational Result K3 - Governments are formulating gender-sensitive, inclusive and participatory policies in agriculture and rural development**

*Lead Unit: ESW*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>K3.1</b> Number of countries making use of advice received from FAO in their policy dialogue and formulation processes.	6	6	0

### Primary Tools for achievement of the Organizational Result

1. Develop and disseminate policy support tools in order to strengthen national government efforts and enhance capacities to use gender sensitive information and to formulate, implement, and revise policies and programmes that are gender sensitive, socially inclusive and legally empowering of the rural poor.
2. Develop more effective partnerships to enhance gender and socio-economic analysis on emerging issues that can potentially exacerbate gender and social inequalities in food security and rural development.
3. Collect, analyse and disseminate information and statistics on social and gender equality for policy support and programme implementation processes.

### Organizational Result K4 - FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work

*Lead Unit: ESW*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>K4.1</b> Percentage of products/services in FAO work plans that are gender-sensitive	To be determined	4% improvement over baseline	<i>2% improvement over baseline</i>
<b>K4.2</b> Number of FAO units at headquarters and decentralized offices that monitor programme implementation against gender-sensitive targets and indicators	4	8	6

### Primary Tools for achievement of the Organizational Result

1. Develop proper baseline against which to measure progress on gender mainstreaming activities in FAO.
2. Identify entry points and operationalise accountability mechanisms for FAO staff and management to account for systematic gender mainstreaming.
3. Facilitate the appointment of FAO staff as Gender Focal Points (GFPs) with clear Terms of Reference (ToRs) as an essential mechanism in the Organization's effort to mainstream gender in its technical programme.
4. Advocate for the allocation of regular programme and extra-budgetary resources to ensure commitment and delivery on agreed gender targets.
5. Identify capacity development needs and develop programmes to address the identified needs.
6. Document FAO's gender related activities in at least 2 selected units.

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**STRATEGIC OBJECTIVE L -  
INCREASED AND MORE EFFECTIVE PUBLIC AND PRIVATE INVESTMENT IN  
AGRICULTURE AND RURAL DEVELOPMENT**

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**Strategic Objective L (in USD 000 at 2010-11 rates)**

<b>Organizational Result</b>	<b>– Net Appropriation</b>	<b>– Core Voluntary</b>	<b>– Field Programme</b>	<b>Emergencies</b>	<b>– Total Extra-budgetary</b>	<b>– Total</b>
L01	12,708	13,000	1,806	57	14,863	27,571
L02	12,178	15,040	25,785	76	40,900	53,078
L03	15,269	23,521	578	2,034	26,133	41,401
<b>Total</b>	<b>40,155</b>	<b>51,560</b>	<b>28,169</b>	<b>2,167</b>	<b>81,896</b>	<b>122,051</b>

**Issues and Challenges**

Volatile food prices, the current global financial crisis, climate change and biodiversity loss are major threats to global food and nutrition security, pose a broad range of humanitarian, human rights, socioeconomic, environmental, developmental, political and security-related challenges, and could seriously undermine the achievement of the Millennium Development Goals (MDGs). Over the past two decades, public funding of agriculture has declined sharply, in both relative and absolute terms, and at both international and national levels. The share of agriculture and rural development in Official Development Assistance (ODA) declined from 18 percent in 1979 to 3.4 percent in 2004, rising to 4.6 percent in 2007 and falling back to 4.3 percent in 2008. Improved agricultural productivity will require a strong and consistent reversal of this reduction in development assistance to agriculture, forestry and fisheries, along with the commitment of increasing amounts of domestic resources to the sector. In 2008, the UN High-level Task Force on Food Security estimated that the share of ODA for food and agricultural development needs to increase to ten percent within five years to boost agricultural production and productivity, especially of the world's 450 million smallholder farms.

In order to achieve the highest possible impact of public and private investments in food, agricultural and rural development, a number of conditions must be met: among others, appropriate policies, strategies and institutions creating an enabling environment supportive of private investment; strict compliance with social and environmental safeguards; state-of-the art formulation of public/private investment programmes and projects; and timely and comprehensive monitoring and evaluation of results and impact. Analysis is needed to increase the viability of investments and to identify barriers to investment options.

With rising untied donor assistance, public financial management needs to be strengthened in the context of medium-term expenditure frameworks, public expenditure reviews and others. With increased amounts invested *via* sector-wide approaches, direct budgetary support and basket funding, aid effectiveness needs to be improved in accordance with the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). The Rome Principles must also be applied including (i) investing in country owned plans, (ii) strategic coordination at national, regional, and global level; (iii) a comprehensive twin-track approach to food security; (iv) strong, efficient multilateral system engagement; and (v) sustained and substantial commitment by all partners. Improvements in the design of concrete investment operations are needed, and a shift from international to national expertise in this design process accomplished. Limited public funding must be applied in core areas to maximize leverage and impact on poverty reduction and food and nutrition security, and attract private sector funding. Finally, impact-monitoring must be enhanced in many countries, as well as the capacity of staff in ministries and agencies.

## Assumptions and Risks

Within the broader external environment:

- Assumption that volatility in producer price levels for food staples in developing countries will not inhibit small producers and agribusiness investors from increasing local food production and processing capacity.
- Risk of natural disasters, financial speculation, volatile energy prices and climate change
- Assumption that market distortions resulting from agricultural subsidies and non-tariff trade barriers in OECD countries will reduce over time.
- Risk of rising application of non-tariff food safety barriers
- Assumption that the recent strong momentum for investment at national and international levels is sustained over time, so that pledges (both from national budgets and ODA) are converted into actual investment in support of food security and poverty reduction.
- Risk that the financial crisis limits donor capacity to meet existing obligations;
- Assumption that developing countries adopt more effective policies, and institutions to help farmers and agri-businesses take advantage of export opportunities.
- Key risk that budget cuts in both developing countries and donor countries undermine capacity in public institutions to develop and apply effective policies;

At corporate level:

- Assumption that human and financial resources meet the specialized investment needs and requests of countries for support to sectoral and policy analysis, investment strategy development and capacity building efforts.
- Risk of diversion of resources away from planned activities due to ad hoc decisions
- Risk of sudden spike in demand

<b>Application of Core Functions to Strategic Objective L</b>								
<b>Org Result</b>	<b>A - Perspectives, trend monitoring, assessment</b>	<b>B - Information, knowledge, statistics</b>	<b>C - International instruments</b>	<b>D - Policy advice</b>	<b>E - Tech support, capacity building</b>	<b>F - Advocacy, communication</b>	<b>G – Inter-disciplinary approach</b>	<b>H - Partnerships, alliances</b>
<b>L1</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>L2</b>	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>
<b>L3</b>	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>

**Organizational Result L1 - Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies into national and regional development plans and frameworks**

*Lead Unit: TCI/TCS*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>L1.1</b> Number of countries where FAO's upstream work identifying specific investment opportunities led to financing by IFIs, donors or national governments within 3 years of implementation <sup>50</sup>	16	20	18
<b>L1.2</b> Percentage of ODA allocated to FSARD	5.5%	7.5%	6.5%

**Primary Tools for achievement of the Organizational Result**

1. The provision of targeted FAO expertise and knowledge products (trend analysis, statistics, information and international instruments) in government investment framework formulation.
2. FAO FSARD appraisals, policy advice and interdisciplinary technical support in partnership with governments, donors and International Financing Institutions (IFIs) in the advancement and advocacy of FAO Strategic Objectives and Organizational Results.
3. Develop tools tracking private investment trends in agriculture and business environment to attract additional private investment.
4. Advocacy and communication to mobilize political will and promote global recognition of required actions in areas of FAO's mandate.

**Organizational Result L2 - Improved public and private sector organisations' capacity to plan, implement and enhance the sustainability of food and agriculture, and rural development investment operations**

*Lead Unit: TCI*

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>L2.1</b> Percentage of Investment Centre Division's consultant weeks on investment development delivered by national experts	N/A	25%	20%
<b>L2.2</b> Percentage of surveyed countries which have demonstrated at least 70% satisfaction level with FAO-provided capacity building in support for investment	N/A	75%	60%

**Primary Tools for achievement of the Organizational Result**

1. The provision of FAO-led interdisciplinary capacity development through on-the-job training and formal training, and mentoring of national counterparts in investment cycle management.
2. The promotion of peer learning in the preparation, implementation and evaluation of investment in FSARD.

<sup>50</sup> The financing should be considered in relation to the sector in which FAO provided upstream work

3. Development and application of related information and knowledge products including lessons learned from IFI and regional/thematic evaluation studies in support of investment.

**Organizational Result L3 - Quality assured public/private sector investment programmes, in line with national priorities and requirements, developed and financed**

*Lead Unit: TCI*

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>L3.1</b> FAO-supported investment funding of FSARD operations (4-year rolling average)	USD 3.3 billion	USD 3.7 billion	<i>USD 3.5 billion</i>
<b>L3.2</b> Number of countries where a minimum of three public-private partnerships for investment in agro-industries have been established with FAO technical support	0	12	<i>4</i>
<b>L3.3</b> FSARD investment quality rating by partner International Financing Institutions (IFIs)	90% satisfactory at entry; 90% satisfactory at supervision;	90% satisfactory at entry; 90% satisfactory at supervision;	<i>90% satisfactory at entry; 90% satisfactory at supervision;</i>

**Primary Tools for achievement of the Organizational Result**

1. The integrated provision of FAO interdisciplinary technical, policy and investment cycle management expertise to countries.
2. The application of innovative approaches to the organization's technical work and support services.
3. Effective partnerships with IFIs and Donors to jointly achieve member country development goals.
4. FAO guidelines and technical support on developing Public Private Partnerships for investment in food and agriculture.



## B. FUNCTIONAL OBJECTIVES

### FUNCTIONAL OBJECTIVE X - EFFECTIVE COLLABORATION WITH MEMBER STATES AND STAKEHOLDERS

#### Functional Objective X (in USD 000 at 2010-11 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
X01	42,478	7,286	12,650	3,100	23,035	65,514
X02	77,868	1,850	831	75	2,756	80,624
X03	39,690	1,252	1,869	7	3,129	42,818
X04	69,100	3,628	585	553	4,767	73,866
<b>Total</b>	<b>229,136</b>	<b>14,016</b>	<b>15,935</b>	<b>3,736</b>	<b>33,687</b>	<b>262,822</b>

#### Issues and Challenges

The Organization relies on a variety of services, delivered both in-house as well as in collaboration with members and external partners, in order to achieve results. Many of these services go well beyond the scope of pure administration, touching upon elements directly related to honing strategic direction, leveraging and focusing on comparative advantage, and properly governing and overseeing the totality of FAO operations. In the new FAO results hierarchy, these services provide the enabling environment without which the outcomes of the Organizational Results under the Strategic Objectives cannot effectively be achieved.

Four sets of services have been identified, involving cooperation among a wide-range of organizational units and applied at all levels of FAO's work, to ensure:

- Effective programmes addressing member priority needs are developed, resourced, monitored and reported at global, regional, and national levels.
- Effective and coherent delivery of FAO Core Functions and enabling services across Organizational Results.
- Key partnerships and alliances that leverage and complement the work of FAO and partners.
- Effective direction of the Organization through enhanced governance and oversight.

These four sets of services are defined as Organizational Results under this functional objective.

#### Assumptions and Risks

- Assumption of continued commitment of all stakeholders and partners to the mission of the Organization, matched by a climate of transparency and trust between members and the secretariat.
- Assumption that a wide range of organizational units will collaborate efficiently and effectively.
- Risk that lack of required resources would compromise the level of services to be provided under the organizational results.

#### **Organizational Result X1 – Effective programmes addressing Members' priority needs developed, resourced, monitored and reported at global, regional and national levels**

##### **Lead Unit: TC**

The Challenge is to ensure that FAO can effectively leverage the available resources – both assessed and voluntary – to address the issues facing members in the areas of its mandate. To do so requires that FAO's programmes be based on a systematic identification of Members' priorities at global, regional and national levels, along with a careful analysis of FAO comparative advantages and capacity vis-à-vis other UN agencies and development partners. The new results-based approach provides the framework and means to sharpen the focus of the Organization's interventions and

improve organizational learning so as to contribute to enhanced credibility with members and other stakeholders.

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>X1.1</b> Number of policy assistance requests to headquarters and decentralized offices which have been met	To be determined	Baseline + 2%	<i>Baseline + 1%</i>
<b>X1.2</b> Number of countries where results-based medium term priority frameworks have been adopted, which are aligned with sector policies	0	30	10
<b>X1.3</b> Number of regions where priority action plans have been formulated, informed in part by CPFs and Subregional priority action plans	0	5	5
<b>X1.4</b> Biennial level of voluntary contributions mobilized in 2012 -2013	USD 2.0 billion (level of voluntary contributions mobilized in 2008-09)	Stable trend	Stable trend
<b>X1.5</b> Percentage point deviation between the increase in the FAO biennial approved Regular Budget and the average of five specialized agencies (FAO, ILO, UNESCO, WHO, IAEA)	1.3 (2010-11 biennium versus 2008-09 biennium)	0 or greater	0 or greater
<b>X1.6</b> Proportion of headquarters' units and decentralized offices complying with established corporate standards for performance monitoring and operational planning	n.a. (new system to be developed)	100%	60%
<b>X1.7</b> Percentage of donor-funded projects/programmes (not including TCP) meeting FAO corporate quality standards during implementation and at the end of each year of implementation	30%	50%	40%

### Primary Tools

1. Policy assistance at all levels (national, subregional, regional, global) in accordance with member priority needs.
2. Results-based Country Programming frameworks to focus FAO's efforts on national needs, informing and aligned with Organizational Results and Strategic Objectives.
3. Structured and consultative identification, including through Regional Conferences, of areas of priority action at subregional and regional levels.
4. Corporate resource mobilization strategy formulated and implemented organization-wide in support of the MTP and PWB.
5. Allocation of resources from all sources according to corporate strategies and priorities.
6. Establishment of efficient and effective working arrangements of FAO's network of field offices and headquarters' units.
7. Implementation of results-based operational planning, monitoring and reporting and creation of necessary staff capacity to apply such practices.
8. Corporate quality assurance framework, including strengthening of monitoring and evaluation and lesson learning.
9. Implementation of an Enterprise Risk Management Framework.

### Organizational Result X2 – Effective and coherent delivery of FAO core functions and enabling services across Organizational Results

#### *Lead Units: OSP, TCD, CIO, OEK, ESS, LEG*

The purpose of Organizational Result X2 is to provide the necessary means of action to enhance how technical departments and decentralised offices deliver their Organizational Results under Strategic Objectives A to L. This will require effective and coherent delivery of Core Functions and enabling services, mutual learning and the pursuit of excellence. FAO will provide two sets of Primary Tools that can be conceptually grouped under the following categories:

- those that relate to FAO as a Knowledge Organization
- those that relate to FAO's role in supporting its countries and stakeholders

The Challenge is to ensure that the world's knowledge of food and agriculture is available to those who need it, when they need it, and in a form they can access and use. Through the first set of primary tools, FAO emphasizes its dual role as both a provider of knowledge and a facilitator of knowledge flow within the global community. These roles will be strengthened through the training in and deployment of state-of-the arts methods and tools for information and knowledge sharing, and in traditional, electronic and digital publishing, putting at disposal in-house services and products to facilitate the transfer of knowledge from all technical departments and decentralized offices of the Organization to the global community. A corporate strategy on Knowledge Management will be implemented to ensure efficiency in the use of resources, standardization to allow sharing of information and knowledge, and the assurance of quality.

The Organization is in need of a coherent approach for improving statistics, as called for in the recent evaluation. Since 2008, FAO has been working with key international, regional and national statistical agencies and other stakeholders to develop a Global Strategy to Improve Agricultural and Rural Statistics which has been unanimously endorsed by the United Nations Statistical Commission. The Organisation is working with partners to develop an implementation plan of the strategy which will provide a comprehensive capacity building programme to substantially improve the agricultural statistics systems in developing countries.

The provision and effective use and leveraging of information systems, tools, global infrastructure and communication technologies will provide the necessary environment to enable technical divisions as well as decentralized offices to gather, analyse, store and disseminate information as well as to communicate and exchange information and knowledge and efficiently support administrative and operational needs. To achieve these results a coherent corporate strategy and approach are required, supported by a holistic Information Technology and Knowledge Management governance framework.

The second set of Primary Tools will contribute to the improvement of the delivery of services to countries. Strengthening FAO's role as a facilitator for capacity development is an important part of this approach, in line with the Paris and Accra Declarations towards enhanced national ownership and accountability. The Organization will shift towards playing a more catalytic role in partnership with national and international actors by delivering high-quality integrated capacity development support grounded in national, regional and global plans that combines normative, operational and convening activities. Guided by a corporate capacity development strategy, FAO will adapt its policies and operational procedures and develop staff competencies towards greater effectiveness in its activities in countries and regions in support of food security, agriculture and rural development.

FAO must effectively utilize the knowledge available within the organization as well as its partners to support members and their Regional Economic Integration Organizations (REIOs) in the areas of policy advice, capacity development in policy formulation and implementation, institutional strengthening and restructuring, country policy intelligence and information, policy monitoring and field programme development. To ensure coherent, coordinated and high quality policy assistance requires a corporate approach supported by appropriate mechanisms for greater interdepartmental collaboration.

One important tool to implement policy is legislation – and the organization has recognized the need to improve the coherence, consistency and timeliness of legal advice and legal services provided to governing bodies and international instruments. Interdisciplinary work is carried out across a network of geographical locations (headquarters, regional, subregional, country and liaison offices) requiring due attention to coherent action, while allowing for sufficient autonomy and responsiveness at all levels. Similarly, technical support is provided from the most effective source, including through outsourcing in accordance with comparative advantages.

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>X2.1</b> Percent of departmental staff and non-staff resources deployed to Strategic Objectives led by other departments	13%	20%	16%
<b>X2.2</b> Percent of products and services related to information and knowledge management and statistics, implemented in accordance with FAO's Corporate Strategy	N/A	40%	20%
<b>X2.3</b> Percent products and services related to information systems, global infrastructure and communication technologies implemented in accordance with FAO's corporate strategy	60% (to be confirmed through survey)	100%	80%
<b>X2.4</b> Percent of capacity development products and services implemented in accordance with FAO's corporate strategy	To be determined	To be determined	<i>To be determined</i>

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>X2.5</b> Percent of policy assistance products and services implemented in accordance with Policy Assistance Node	To be determined	To be determined	<i>To be determined</i>

### Primary Tools

1. Instruments for ensuring interdisciplinary approaches and knowledge sharing.
2. Development and promotion of corporate approaches, tools, methodologies, and staff training in the areas of information and knowledge management and statistics.
3. Development and promotion of enabling corporate approaches in the areas of information systems, global infrastructure and communications technologies.
4. Corporate strategy, tools, methodologies, and staff training to enhance FAO support to capacity development at global, regional and national levels.
5. Coherent and well-coordinated policy assistance to countries and Regional Economic Integration Organizations.
6. Programmes to enhance coordination and consistency in delivery of legal and legislative advice.
7. Tools to collect, maintain and disseminate information on the creation, governance and use of international instruments.

### Organizational Result X3 – FAO’s activities enhanced through effective corporate communication and advocacy, key partnerships and alliances

#### Lead Unit: OCE

FAO’s ability to fulfil its mandate can be leveraged by effective communication and advocacy and through key partnerships and alliances that reinforce its credibility as a knowledge organization and raise its profile in global fora, adding value through combining effort.

The steady rise in food prices since 2007, the growth of bioenergies, climate change, animal and plant pests and diseases, among other critical factors, have combined to alter perceptions about the importance of investing in agriculture. This in turn has helped to push agriculture higher up on the international agenda. To maintain the momentum, FAO needs to be able to continue to provide ever more timely, accurate and incisive information to decision-makers, farmers and other producers, as well as to consumers (for example on nutrition, food safety and standards) and to a general public who may be among the custodians of global goods and services. In so doing, FAO communications aim at reaching both a wide general public as well as targeted audiences through a mix of traditional and new media, by working with FAO’s partners, and other stakeholders. An increasingly flexible approach will emphasize outreach to the media and other communicators that focuses on encouraging these key players to seek out FAO as a centre of excellence, a benchmark and point of reference.

FAO’s recent global advocacy campaign, the 1 billionhungry project, has been instrumental in sensitizing a vast audience about hunger as it relates to agriculture, forestry, fisheries and aquaculture. The campaign benefited from the contributions of FAO’s partners in the field. In this respect, the aims of both the corporate communications and partnerships work are complementary. They focus on moving the Organization forward in these two areas, improving communications and consolidating and building partnerships to strengthen the realization of the FAO mandate and to assist its members, inter alia, to meet the Millennium Development Goals, to help feed the world now and towards 2050 and to help conserve the natural resources.

The challenge is in parallel to mobilise the world’s best knowledge and capacities to support FAO’s leadership in the international governance of agriculture and agricultural development. Such knowledge and capacities do not reside only in FAO, and need effective collaborative linking of the various relevant institutions in support of shared goals. FAO’s ability to fulfil its mandate can be leveraged by partnerships and alliances that reinforce its credibility as a knowledge organization and raise its profile in global fora, adding value through combining effort. To meet the needs of its

members, FAO needs to know where the knowledge for sound stewardship in the areas of food, agriculture and nutrition can be found and accessed at the global, regional, national and local levels. This can be achieved only through well-constructed, durable and sustainable strategic partnerships. Partnerships also generate potential for cost savings and economies of scale, especially in the current changing aid climate.

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>X3.1</b> Average monthly traffic to <a href="http://www.fao.org">www.fao.org</a>	3.614 million visits per month	3.965 million	<i>3.890 million</i>
<b>X3.2</b> Percentage of FAO news stories covered monthly by leading TV, radio, print and or social media in three or more official languages.	5 % per month	15% per month	<i>10 % per month</i>
<b>X3.3</b> Number of FAO Member States, organizing and promoting advocacy campaigns related to hunger awareness including World Food Day and special initiatives	100 countries observing WFD	140 countries participating in advocacy initiatives such as WFD	120 countries participating in advocacy initiatives such as WFD
<b>X3.4</b> Number of partnerships implemented that reflect the guiding principles of the FAO organization-wide strategy on partnerships	0	110	36
<b>X3.5</b> Number of countries where FAO is participating in UN partnerships that are aligned with the FAO strategy on partnerships with the UN system	8	90	22
<b>X3.6</b> Number of collaborative arrangements with the Rome-based agencies, WFP and IFAD, that are implemented in line with jointly agreed Action Plans	3	5	4
<b>X3.7</b> Number of civil society groups engaged in policy fora and/or collaborating in technical programmes and activities of FAO	2 FAO regional conferences organize NGOs/CSOs consultations	All FAO regional conferences organize NGOs/CSOs consultations	3 FAO regional conferences organize NGOs/CSOs consultations

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>X3.8</b> Number of partnerships established with the private sector in line with established FAO strategic guidelines at the global, regional and national level	1 strategic partnership with the private sector	5 new strategic partnerships with the private sector	3 new strategic partnerships with the private sector

### Primary Tools

1. Coherent and effective communication and advocacy programmes implemented at all levels.
2. Strategies and tools to ensure coherent approaches in the areas of communication and advocacy
3. Organization-wide partnership strategy, and specific partnership strategies, developed and implemented at corporate and regional, subregional and country level.
4. Guidelines for formal and informal partnerships, incorporating lessons learned.
5. Engagement in increased UN system coherence at all levels, including in high-level global decision-making fora and FAO's contribution to country programming instruments (e.g. UNDAF Joint Programming, Joint Programmes) within the UN country teams.
6. Joint document entitled "Directions for Collaboration among the Rome-based Agencies" and related implementation plans.
7. Partners in civil society engaged through new consultative mechanisms.
8. Guidelines and management tools for partnerships with the private sector.
9. FAO representation at external meetings.

### Organizational Result X4 – Effective direction of the Organization through enhanced governance and oversight

#### Lead Units: AUD, OED, CSC, Ethics

The Challenge is to effectively service FAO's governing and statutory bodies and implement their decisions in a responsive and transparent way. FAO's programmes and operations require oversight to help the organization achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and internal governance processes. An environment of ethics and integrity throughout the Organization's operations is promoted by ethical values and through the prevention, investigation and detection of fraud and unsatisfactory conduct, development of lessons learned, and procedural and policy changes needed to enhance integrity within FAO.

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>X4.1</b> Percent of the Organization's budget (Regular Programme accruing to the Evaluation Function	0.5%	1%	0.8%
<b>X4.2</b> Percent of accepted evaluation recommendations implemented within the agreed timeline	50%	95%	90%
<b>X4.3</b> Percent of audit recommendations made by AUD that are accepted	70%	90%	75%

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
and implemented by management			
<b>X4.4</b> Percentage of investigation reports and referrals that are considered and decisions made on them by responsible units.	75%	90%	75%
<b>X4.5</b> Percent of Conference and Council decisions implemented by FAO within prescribed deadlines.	75%	100%	80%
<b>X4.6</b> Percent of documents for governing bodies produced according to agreed timelines	70%	100%	80%
<b>X4.7</b> Staff response rate to ethical training	0%	80%	50%
<b>X4.8</b> Response rate to requests for legal advice and clearances	80%	90%	80%

### **Primary Tools**

1. Indicative Rolling Workplan of Strategic and Programme Evaluation 2012-2013
2. A Charter for the Office of the Inspector-General and development and implementation of a comprehensive risk based audit plan.
3. A case management system to identify, process and/or investigate in a timely manner all complaints of fraud and misconduct in the programmes and operations of the organization.
4. A comprehensive approach for the satisfactory servicing and transparent conduct of meetings of Governing and Statutory Bodies.
5. Timely preparations and implementation of amendments to the Basic Texts relating to the Governing Bodies.
6. Legal advice provided to ensure that the Organization operates in accordance with its legal statutes and applicable rules and within acceptable levels of legal liability.



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**FUNCTIONAL OBJECTIVE Y -  
EFFICIENT AND EFFECTIVE ADMINISTRATION**

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**Functional Objective Y (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
Y01	65,069	10,822	5,145	10,120	26,087	91,157
Y02	8,904	6,394	5,989	7,444	19,828	28,732
Y03	34,019	936	276	0	1,212	35,232
<b>Total</b>	<b>107,993</b>	<b>18,153</b>	<b>11,411</b>	<b>17,564</b>	<b>47,128</b>	<b>155,120</b>

**Issues and Challenges**

The IEE described FAO as a heavy and costly bureaucracy characterized by excessive transaction-control processes, high-levels of overlap and duplication, and low-levels of delegated authority. It noted that FAO's administrative structure excessively focuses on ex-ante controls and does not emphasize delegation, which leads to a negative impact on efficiency and staff motivation. FAO will meet its challenges by more explicitly undertaking risk assessment of its administrative activities and processes. This work may be expected to point towards changes in ways of working, such as more flexible ways of executing management and administrative services to meet high standards of efficiency and quality, while discharging fiduciary responsibilities. Clear lines of authority, responsibility and accountability are required, duly supported by information systems and training, especially in a context where resources – and decisions on their use – are increasingly decentralized to locations where projects and programmes are implemented. As a knowledge organization, FAO must attract and retain high-quality and well-motivated staff, providing a learning environment in which people can grow and improve their professional and managerial skills.

**Assumptions and Risks**

- Assumption that projects related to the reform of administrative and management systems in the Immediate Plan of Action are resourced and executed.
- Risk that lack of required resources would impede implementation.
- FAO's ability to implement the changes required to respond to the IEE and achieve Functional Objective Y would require culture change in the Organization and in the way FAO works.
- Risk that expectations for immediate change may overwhelm the Organization's capacity to adjust.
- In a resource-constrained environment, the various reform processes will require prioritisation. Inter-dependencies and potential conflicts will need to be managed carefully.
- Risk that "silo" mentality, entrenched attitudes, inertia, and fragmented processes may inhibit ability to change.
- The corporate restructuring will involve the integration of services that were formerly separate. This will imply transitional costs that need to be minimised.
- Risk of lack of transition funding to meet costs for improvements to administrative services.
- Assumption that client satisfaction levels are measured as planned.
- Assumption that services can be appropriately benchmarked against relevant comparator organizations.

**Organizational Result Y1 – FAO’s support services are recognised as client-oriented, effective, efficient and well-managed**

**Lead Unit: CSS**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>Y1.1</b> Percentage of corporate services which could benefit from a Service-Level Agreement (SLA) covered by a SLA	0%	40%	20%
<b>Y1.2</b> Share of services covered by SLAs that are benchmarked	To be determined, based on inventory of services	40%	20%
<b>Y1.4</b> Introduction of formal internal control reporting	None	Process initiated to formalize internal control framework and introduce internal control reporting.	<i>Preparation underway</i>
<b>Y1.5</b> Improvement in client satisfaction	N/A: New process to be put in place in 2011.	<i>If 2-year results are under 50%: 50% relative improvement. If 2-year results are 50% or higher: An improvement to reach a minimum of 75%</i>	<i>50% satisfied</i>

**Primary Tools**

1. Efficient and effective monitoring of all service-related contracts with external suppliers.
2. Efficient and effective monitoring of all internal services.
3. Training of staff to implement Service-level Agreements (SLAs), client surveys, and to gather data for benchmarking.
4. Effective communication with clients.
5. Availability of expertise to assist in gathering data for benchmarking database.
6. Mechanisms to manage user feedback and implement lessons learned.
7. Introduction of best practices and recognised standards for continuous process improvement.
8. Yearly client surveys.

**Organizational Result Y2 – FAO’s management information is recognised as being comprehensive, accurate, and relevant**

**Lead Unit: CSD**

<b>Indicator</b>	<b>Baseline</b>	<b>Target (end-2013)</b>	<b>Target (end-2011)</b>
<b>Y2.1</b> FAO receives unqualified annual external audit opinion	FAO currently has biennial unqualified external audit opinion	Annual unqualified external audit opinion	<i>Biennial unqualified external audit opinion</i>
<b>Y2.2</b> Percentage of clients who report satisfaction with information retrieved from the administrative corporate management information systems	N/A: New process to be put in place in 2011.	<i>If 2-year results are under 50%: 50% relative improvement. If 2-year results are 50% or higher: An improvement to reach a minimum of 75%</i>	<i>50% satisfied</i>

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>Y2.3</b> Percentage of clients who report improved ability to produce final reports on corporate information through use of standard reporting tools	N/A: New process to be put in place in 2011.	<i>If 2-year results are under 50%: 50% relative improvement. If 2-year results are 50% or higher: An improvement to reach a minimum of 75%</i>	<i>50% satisfied</i>

### Primary Tools

1. Ongoing preparation and communication of relevant and timely financial-performance information to managers, members, and donors.
2. Corporate management information system.
3. Procedures to manage the administrative information that reflect user feedback.
4. Establishment of relevant institutional financial policies and procedures in accordance with IPSAS requirements.
5. Accurate, complete and timely recording of accounting and financial information in FAO accounts.

### Organizational Result Y3 – FAO is recognised as an employer that implements best practices in performance- and people-management, is committed to the development of its staff, and capitalises on the diversity of its workforce

#### Lead Unit: CSH

Indicator	Baseline	Target (end-2013)	Target (end-2011)
<b>Y3.1</b> Percentage of managers who completed the FAO Core Managerial Training programme (% of all P5-above)	0%	50%	19%
<b>Y3.2</b> Competency improvement ratios (based on % of staff taking part in PEMS and their increase in competency rating)	0%; To be determined (competency ratios are not yet in place)	90% of staff participate in PEMS; 50% increase in competency ratings	<i>85% of staff participate in PEMS; 20% increase in competency ratings</i>
<b>Y3.3</b> Percentage increase in mobility in workforce measured by a reduction of staff members in same grade or post for the last eight years	18%	11%	16%
<b>Y3.4</b> Improved gender representation at all levels measured by proportion of female staff by category	GS: 64%; P: 33%; D: 15%	GS: To be determined; P: 38%; D: 20%	<i>GS: To be determined; P: 36%; D: 18%</i>
<b>Y3.5</b> Percentage number of member countries that are equitably represented	61%	70%	64%
<b>Y3.6</b> Increased client satisfaction with HR policies	N/A: New process to be put in place in 2011.	<i>If 2-year results are under 50%: 50% relative improvement.</i>	<i>50% satisfied</i>

Indicator	Baseline	Target (end-2013)	Target (end-2011)
		<i>If 2-year results are 50% or higher: An improvement to reach a minimum of 75%</i>	

### Primary Tools

1. All FAO managers to undertake core management training within 24 months of appointment, which may include development, management, leadership, and coaching programmes.
2. Staff performance evaluation system linked to work plans, competencies, and a rewards and recognition system.
3. Communication strategy for staff and managers.
4. A staff mobility programme supported by procedures and systems to administer, monitor and report on mobile assignments.
5. HR policies that contribute to implementing best practices in people-management.
6. Yearly client surveys.
7. Targeted strategies and policies to improve geographic and gender representation, supported by effective tracking and monitoring systems.

### C. TECHNICAL COOPERATION PROGRAMME

#### Technical Cooperation Programme (in USD 000 at 2010-11 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
T01	4,515	0	0	0	0	4,515
T02	107,178	0	0	0	0	107,178
<b>Total</b>	<b>111,694</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111,694</b>

283. The Technical Cooperation Programme (TCP) is presented as a separate chapter in the Appropriations Resolution for budgetary purposes. As shown in the table above, the two main components are TCP Management and Support, which – with decentralization of the programme – are shared between headquarters and the decentralized offices, and TCP Projects, providing direct assistance to countries.

284. In accordance with IPA action 3.22, the management of the TCP was decentralized as of 1 January 2010 except for emergency and inter-regional TCP projects. As per the decision of the Council, 15 percent and 3 percent of the TCP Projects appropriation has been indicatively earmarked for approval of emergency and inter-regional projects, respectively, under the responsibility of the head of the Technical Cooperation Department. Of the remaining TCP Projects appropriation, 40 percent have been indicatively earmarked for development projects in Africa, 24 percent for Asia and the Pacific, 18 percent for Latin America and the Caribbean, 10 percent for Europe and Central Asia and 8 percent for the Near East and North Africa, under the responsibility of the Regional Representatives, as shown in *Annex VII*.

285. Under TCP Management and Support, human and financial resources have been provided to the Regional Offices and some subregional offices for managing TCP approval and monitoring implementation. A small unit at headquarters provides policy guidance and general oversight of programme implementation and coordinates reporting.

### D. CONTINGENCIES

#### Contingencies (in USD 000 at 2010-11 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
O01	600	0	0	0	0	600
<b>Total</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>

286. The provision for contingencies remains unchanged since the PWB 1980-81.

## E. CAPITAL EXPENDITURE

### Capital Expenditure (in USD 000 at 2010-11 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
P01	1,688	0	0	0	0	1,688
P02	1,000	0	0	0	0	1,000
P03	5,150	0	0	0	0	5,150
P05	23,908	0	0	0	0	23,908
P06	1,000	0	0	0	0	1,000
P08	(6,700)	0	0	0	0	(6,700)
<b>Total</b>	<b>26,046</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,046</b>

287. Conference Resolution 10/2003 established the Capital Expenditure Facility as a chapter of the Programme of Work and Budget. The Facility serves to define and authorize expenditures on tangible and intangible assets with a useful life in excess of FAO's financial period of two years and that generally require a level of resources which cannot be funded within the appropriation for a single biennium. Financial Regulation 6.11 authorizes the transfer of any balance in the Capital Expenditure Account for use in the subsequent financial period.

288. For 2012-13, the International Public Sector Accounting Standards (IPSAS) project and the upgrade to Oracle Release 12 are considered to be of critical importance for the Organization, and are being given top priority. Priority is also given to key corporate technical applications and core infrastructure projects which are considered to be critical for the daily functioning of the Organization. The 2012-13 Capital Expenditure projects are described below.

#### **P01. Core ICT Infrastructure**

289. Improvements in the core ICT infrastructure are planned in three areas:

- increasing the use of IT security best-practices for infrastructure and application systems to cover network security enhancements and a security framework for database systems to ensure that Organization maintains industry standard best-practices;
- enhancing IT services in headquarters meeting rooms to improve Audio/Visual equipment and services for FAO's main meeting rooms at headquarters; and
- deploying the new Microsoft operating system and suite of business applications.

#### **P02. Corporate Administrative Applications**

290. Investment is planned to ensure that changes to the functionality and configuration of corporate administrative applications systems are undertaken in a timely fashion to meet dynamic business requirements during the implementation of IPSAS/R12 (see P05 below). The focus will be on application development and maintenance of the Oracle E-Business Suite and various satellite systems needed to address changes to administrative processes.

#### **P03. Corporate Technical Applications**

291. Corporate technical applications provide essential support for the Organization's core business. Investments are planned in two main areas:

- work initiated in 2010-11 to establish a corporate data repository for technical information and improve FAOSTAT will continue in 2012-13, focusing on integration of statistics and other technical knowledge applications; and
- an upgrade and enhancement is planned of the corporate application platform for managing country-based information in FAO Country Profiles (FCP), which is actively used by member countries civil society with around 250,000 external views per month.

**P05. IPSAS (including FAS)/ Upgrade to Oracle Release 12**

292. The ongoing project to implement IPSAS, together with the design of the new Field Solution to replace the current Field Accounting System, will be managed in parallel with an upgrade of the Organization's ERP to Oracle Release 12 using a cost effective, synergistic approach. This approach will allow the IPSAS Project to exploit the new functionality available in Oracle Release 12 while ensuring that the Organization will not be required to rely on an unsupported version of its ERP in 2013. The introduction of Oracle Release 12 will also provide for a Field Solution that is an integral part of the ERP.

293. This is a major investment project that will utilize the bulk of Capital Expenditure resources in 2012-13. The project will deliver IPSAS compliant systems in 2012 and the first IPSAS compliant official accounts will be prepared for the calendar year 2013.

**P06. Management Information Systems**

294. Building on the migration and consolidation of existing data sources and reporting tools during 2010-11, the Management Information Systems activity will cover two aspects – data management and business intelligence. The data management component will develop a "single version of information" through the definition of processes and technologies that will result in a high quality data repository. The business intelligence component will build the tools to use this data in order to achieve the desired business benefits and provide high quality and consistent management information, also building the foundations for future full incorporation of MIS in support of the strategic framework.

**F. SECURITY EXPENDITURE****Security Expenditure (in USD 000 at 2010-11 rates)**

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
Q01	13,252	188	0	0	188	13,440
Q02	14,333	951	0	0	951	15,284
Q03	(2,900)	0	0	0	0	(2,900)
<b>Total</b>	<b>24,686</b>	<b>1,139</b>	<b>0</b>	<b>0</b>	<b>1,139</b>	<b>25,825</b>

295. The *Security Expenditure* chapter provides comprehensive coverage of staff and non-staff costs directly related to security and safety of the Organization's staff and assets under the Security Expenditure Facility established by Conference Resolution 5/2005. It is divided into Headquarters Security and Field Security.

296. In 2010, at the request of the Director-General, a Security Plan of Action was prepared to improve security, safety and crisis management activities in FAO and exercise better the responsibilities entrusted to the Director-General as Designated Official for Italy. The Security Plan of Action includes 52 actions aimed at improving security in the field and in headquarters. These actions cover a wide range of areas, such as the reorganization of the security function in FAO, safety arrangements at headquarters and in decentralized offices, and training for Security staff. The Security Plan of Action also establishes a framework for accountability at all levels, to enhance the ability of the Organization to meet its security obligations. The plan has guided the preparation of the programme of work for the Security Expenditure chapter in the 2012-13 biennium.

297. In the PWB 2012-13, the incremental costs for implementing the Security Plan of Action are estimated at USD 2 million. This increased amount is partially offset by a reduction in the budgeted costs for UN Department of Safety and Security (DSS) and partially by an additional forecasted carry-over under this chapter. It should be noted however, that if the carry-over were not to materialize in future biennia or if DSS costs were to rise again, a shortfall would occur under the Security Chapter, which would have to be covered.

298. The Headquarters Security provision aims to assure a safe and secure operating environment for headquarters programme delivery and provides support for the execution of the Director-General's function as Designated Official for Italy. It includes maintaining coordination with host government authorities, establishing systems of security management, providing an enabling environment and ensuring personnel safety and security at the FAO headquarters premises. Activities foreseen in the Security Plan of Action in this area include improvements in fire safety, infrastructure, building access and occupational health, all of which build on the steps taken over the past few years to put in place a safer and healthier work environment for headquarters' staff. Furthermore, the Security Plan of Action also foresees the strengthening of capacities and knowledge of Security personnel through specialised training.

299. The Field Security provision addresses FAO personnel safety and security in the field to enable the safe and effective delivery of the Organization's mandated programme activities. It covers:

- promulgation of UN system security policy by representing the Organization on the Inter Agency Security Management Network (IASMN) and by providing input to assist FAO senior managers in decision-making on security policy and related matters;
- security needs of decentralized offices (regional and subregional offices, FAO Representations and other field locations) by allotting resources to acquire training, services and equipment for compliance with Minimum Operating Security Standards (MOSS) and Minimum Operating Residential Security Standards (MORSS), as prescribed for each duty station. In 2012-13, a programme of action will be developed to achieve the above standards in all countries, giving priority to countries with higher security risks, taking into account the evolving security situations. The objective in the Security Plan of Action will be to reach and maintain the highest overall level of compliance of (91-100%);
- provision of briefings to FAO Representatives and policy advice to all technical units on field security policy and procedures, including the promotion of compliance with security training and security clearance requirements; and
- liaison with the UN Department of Safety and Security (DSS) and contribution to the Malicious Acts Insurance Policy to cover premiums for eligible personnel.

#### **G. TRANSFER TO TAX EQUALIZATION FUND**

300. The Tax Equalization Fund was established as of 1 January 1972.

301. In line with the practice followed since 1972-73, the 2012-13 budget is presented on a gross basis, by adding to the total effective working budget an appropriation for staff assessment.

302. This will have no effect on the contributions payable by Members not levying tax on FAO staff emoluments; their full share of the staff assessment appropriation is refunded, by deduction from the contributions payable by them.

303. Members which levy tax on FAO staff emoluments will have their shares of the appropriation for staff assessment reduced by the amount estimated to be required to meet claims from the FAO staff concerned for tax reimbursement.

304. The amount of USD 103.3 million provided for 2012-13 represents the difference between gross and net salary costs based, as far as professional staff and above are concerned, on the UN salary scales as of 1 January 2011.

305. The application of credits arising from the Staff Assessment Plan against Members' assessments will be presented after the Conference has decided on the scale of contributions to be applied for 2012-13.



## Annex I: Regional Dimensions

306. A significant new step in the preparation of the PWB 2012-13 was the identification of Regional Results contributing to the achievement of Organizational Results, taking account of the areas of priority action identified by the FAO Regional Conferences. This effort was led by Regional Strategy Teams headed by the Regional Representatives, in consultation with the Organization-wide Strategy Teams. The Regional Results will guide operational work planning and allocation of resources within each region during the biennium. They are listed below in relation to the areas of priority action for each region. The following summary table provides a breakdown of total resources estimated to relate to global work and to the respective regions.

### 2012-13 Budget proposal by location (in USD 000 at 2010-11 rates)

Region	Net Appropriation	Core Voluntary	Extrabudgetary	Total
Headquarters/Global	673,368	216,298	863,537	1,753,202
Africa	123,238	14,354	101,670	239,262
Asia and Pacific	67,802	1,284	97,734	166,821
Europe and Central Asia	41,861	1,294	8,473	51,628
Latin America and the Caribbean	64,135	2,908	72,728	139,771
Near East	38,734	1,043	11,575	51,352
<b>Total</b>	<b>1,009,138</b>	<b>237,181</b>	<b>1,155,717</b>	<b>2,402,035</b>

### Africa

307. The Regional Conference for Africa endorsed seven priority areas for FAO action in the region, which will be addressed through Regional Results also contributing to FAO's corporate Organizational Results (OR) and Strategic Objectives.

#### 1. Promotion of sustainable increase in agriculture production and crop diversification

OR	Regional results
A01	Support for the development of policies and strategies on sustainable crop production intensification and diversification
A03	Countries supported to implement programmes that sustainably reduce pesticide risks to human health and the environment
A04	Countries supported to implement programmes that enhance conservation and sustainable use of plant genetic resources, including seed systems
B01	Livestock sector is enabled to increase its contributions to food security, poverty alleviation and economic development achieved through enhanced targeting of programmes and projects and their coordination within CAADP implementation
C04	Contribution of aquaculture to economic growth and food supply in the region increased

## **2. Promotion of sustainable use and management of natural resources, including land and water, fisheries and forestry**

### **OR Regional results**

- A04 Countries supported to implement programmes that enhance conservation and sustainable use of plant genetic resources, including seed systems
- B03 Livestock development enabled by prioritized regional and national programs leading to a better management of natural resources and animal genetic resources in sub-Saharan Africa
- C02 African fisheries and aquaculture institutions having increased capacity and improved skills delivery
- E04 Sustainable management of forests, trees and wildlife is promoted and facilitated to enhance their social and economic values and to improve livelihood, and to support climate change mitigation and adaptation in sub-Saharan Africa
- E06 Strategies to realize the environmental values of forests and trees outside forests and conservation of forest and wildlife biodiversity and genetic resources are promoted and their effective implementation facilitated in sub-Saharan Africa
- F01 Countries supported in Sustainable Land Management and database development for food security
- F02 Support to water productivity enhancement and capacity building for agriculture water management
- F05 Support to adaptation and mitigation to climate change
- F06 Capacity for improved access to scientific and technical information and sharing of knowledge for natural resource management of member countries strengthened

## **3. Support to market access and sanitary measures for better trade**

### **OR Regional results**

- A02 Support for strengthened capacity of National Plant Protection Organizations (NPPOs) and regional organizations to implement IPPC and the International Standards and assess their needs: develop appropriate contingency plans/responses to plant pests
- C02 African fisheries and aquaculture institutions having increased capacity and improved skills delivery
- C04 Contribution of aquaculture to economic growth and food supply in the region increased
- D03 Capacities developed or strengthened in member countries in region for the adoption and enforcement of food safety regulations and standards in line with international recommendations
- D04 Public/private partnerships strengthened for regional, subregional and national capacity building in food safety

#### 4. Information and knowledge management

##### OR Regional results

- D02 Enhanced sharing of experiences in the field of organization, coordination and harmonization of food safety legislation between countries in Africa
- H03 Countries in sub-Saharan Africa have strengthened capacity to improve the impact of food and agricultural interventions on nutrition outcomes

#### 5. Emergency preparedness and risk management

##### OR Regional results

- B02 Priority transboundary animal diseases and zoonosis risks on livelihoods and public health have reduced impact from regional and national programmes and projects within CAADP implementation incorporating One Health and strengthened regional and national capacities in animal health systems
- I01 Improved preparedness, risk prevention and mitigation of crisis, threats and emergencies in countries
- I02 Enhanced effectiveness of countries and partners' responses to crises and emergencies in the agricultural sector through improved communication, coordination and collaboration
- I03 Capacities of governments, local institutions, communities and other stakeholders strengthened to link immediate needs for emergency relief to longer-term recovery and development through the use of FAO knowledge base, tools and information products in the planning process

#### 6. Effective agricultural policies, while integrating gender concerns as a cross-cutting issue

##### OR Regional results

- C01 Countries in region and other stakeholders have improved formulation of policies and standards that facilitate the implementation of the Code of Conduct for Responsible Fisheries (CCRF) and other international instruments, as well as response to emerging issues
- E02 Regional and international policy consultations and cooperation to promote good governance and practices for sustainable forestry and wildlife management in sub-Saharan Africa are supported and enhanced by timely and reliable data.
- G01 Policy advice to countries to enhance support to value chain actors and organizations that work with small-scale producers in linking them to markets for agricultural inputs, commodities and services
- H01 Member countries and Regional Economic Communities (RECs) in Africa have strengthened capacity to formulate, implement and monitor coherent policies, strategies and programmes that address the root causes of hunger, food insecurity and malnutrition
- H04 Countries have strengthened capacity to generate, process, analyze and use statistical data in support of gender responsive planning and the implementation of policies and programmes (notably CAADP), ensuring sustainable agricultural development and food security for all

**OR Regional results**

- H05 Capacity of countries and other stakeholders strengthened for better access to, and use of, FAO analysis and information products and services on food security, agriculture and nutrition, and to exchange knowledge
- K03 Governments have capacity to formulate gender-sensitive agricultural and rural development policies and programmes through FAO's increased support to CAADP and closer collaboration with partner regional and subregional organizations
- K04 Staff of the regional and subregional offices have demonstrated commitment and capacity to address gender issues in their work in sub-Saharan Africa

**7. Support to countries to prepare appropriate investment plans****OR Regional results**

- L01 Policy advice and support to member countries and RECs for improved public investment and enhanced investment by the private sector and other partners in African agriculture
- L02 Improved regional capacity in investment and policy planning and implementation
- L03 Design and supervision of effective public and private sector investments in food, sustainable agriculture and rural development in the region

**Asia and the Pacific**

308. The Regional Conference for Asia and the Pacific endorsed five priority areas for FAO action in the region with six areas of special emphasis, which will be addressed through Regional Results also contributing to FAO's corporate Organizational Results and Strategic Objectives.

**1. Strengthening food and nutritional security, with special emphasis on food safety and nutrition****OR Regional results**

- B01 Institutional and analytical capacity strengthened to maximize livestock sector contribution to food security, economic growth and poverty alleviation
- C04 Region continues to derive economic and nutritional benefits from harvesting and trade of fishery and aquaculture products
- D02 Institutional and legal frameworks strengthened for food safety and quality management to cover the food chain approach with strengthened regional coordination and networking
- D03 Capacity (programmes and human resource) strengthened for the formulation and implementation of food safety and quality management and control
- D04 Countries establish effective programmes to raise awareness of food producers and processors on food safety and quality issues and build capacities to implement good practice in the producer-to-consumer chain in order to meet requirements of local, national, regional and international markets
- H01 Capacity of countries to formulate, implement and monitor policies, strategies and programmes that address the root causes of hunger, food insecurity and malnutrition

**OR Regional results**

- H03 Appropriate actions implemented in countries to address food security and nutrition concerns with strengthened regional coordination and networking
- H04 Countries have strengthened capacity to generate, process, analyze and access data and statistics for enhanced food and nutrition security
- H05 Countries have improved access to FAO analyses and information products and services on food security, agriculture and nutrition, and capacity to exchange knowledge and manage information

**2. Fostering agricultural production and rural development**, with special emphasis on sustainable crop intensification and diversification to improve productivity, and agriculture diversification with emphasis on livestock productivity, aquaculture, and sustainable forest management

**OR Regional results**

- A01 Capacity of countries strengthened to enhance agricultural production and rural development by promoting sustainable crop intensification and diversification in region
- A02 Support for the development and implementation of Regional and International Standards for Phytosanitary Measures (RSPMs and ISPMs), as well as IPM
- B04 Animal Production and Health Commission for Asia and the Pacific (APHCA) actively involved in setting priorities towards balanced growth of livestock sector
- C02 Strengthened capacities of national and regional fisheries and aquaculture institutions to undertake their mandate in the region, facilitated by the activities of the Secretariat of the Asia-Pacific Fishery Commission (APFIC)
- E02 Capacities of countries in region strengthened in the collection, analysis, reporting and sharing of reliable information and data on forests and forestry, through the Asia-Pacific Forestry Commission (APFC), Pacific Heads of Forestry and related mechanisms, leading to improved management and increased cooperation
- E03 Institutional and human resource capacity strengthened in the analysis, formulation and implementation of forest policies, laws and governance at all levels through multi-stakeholder and participatory approaches
- E04 Capacities of countries strengthened with respect to forest management, implementation of codes of practice for forest harvesting, fire management and forest rehabilitation, combating threats from forest invasive species and agroforestry, especially in relation to contribution of such activities to forest-related climate change mitigation and adaptation
- E05 Contributions of forests and trees to the livelihoods of forest-dependent people enhanced in region through improved policies, practices, regulations, finance mechanisms, and greater involvement of people in natural resource management
- E06 Awareness of the environmental values of forests increased and capacities of countries in region strengthened for addressing issues related to forest invasive species, natural resources-related disasters, conservation of biodiversity, forest genetic resources, forest rehabilitation, watershed management and forest-related climate change mitigation and adaptation

**OR Regional results**

- G01 Institutional and human resource capacity of organizations supporting small producers and processors in linking to markets strengthened
- G03 Policy and strategy development and capacity building programmes to enhance agribusiness and agro-industry development in countries
- G04 Awareness of, and capacity for, analysing developments in international agricultural markets, trade policies and trade rules to identify trade opportunities and to formulate appropriate and effective pro-poor trade policies and strategies are strengthened at a country and regional levels
- K02 Countries have enhanced capacities to incorporate gender and social equality issues in projects and policies
- L01 Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies into national and regional development plans and frameworks

**3. Enhancing equitable productive and sustainable natural resource management and utilization, with special emphasis on genetic resources****OR Regional results**

- A04 Countries supported to enhance integrated approach to conservation and sustainable use of plant genetic resources, including seed systems
- B03 Strengthened national capacity to analyze negative impact of intensive livestock production on natural resource use and climate change
- C03 Responsible production from fisheries and aquaculture in region through improved management of resources, habitats and the impacts of production operations
- E05 Contributions of forests and trees to the livelihoods of forest-dependent people enhanced in region through improved policies, practices, regulations, finance mechanisms, and greater involvement of people in natural resource management
- E06 Awareness of the environmental values of forests increased and capacities of countries in region strengthened for addressing issues related to forest invasive species, natural resources-related disasters, conservation of biodiversity, forest genetic resources, forest rehabilitation, watershed management and forest-related climate change mitigation and adaptation
- F01 Awareness and capacity of land degradation assessment and monitoring for sustainable land management and land use planning of countries strengthened
- F02 Countries address water scarcity in agriculture and strengthen their capacities to improve the water productivity of agricultural systems and water management for enhancing smallholder farming and rural livelihoods
- F06 Countries have improved access to, and sharing of, knowledge of natural resource management

**4. Improving capacity to prepare and respond to food and agricultural threats and emergencies,** with special emphasis on transboundary animal/plant diseases and emergency response to natural disasters

**OR Regional results**

- A02 Support for the development and implementation of Regional and International Standards for Phytosanitary Measures (RSPMs and ISPMs), as well as IPM
- A03 Support for development and implementation of national regulatory framework for the Code of Conduct and international treaties on pesticides
- B02 Sound animal health programs, coordination mechanisms and supporting regulatory framework developed and implemented resulting in the prevention, control and eradication of priority TADs and EIDs at the regional and national levels
- I02 Capacity to prevent, manage and respond to food and agricultural threats and emergencies of countries strengthened and DRR/DRM strategies integrated in national agriculture and food security policy and strategies

**5. Coping with the impacts of climate change on agriculture and food and nutritional security,** with special emphasis on climate change adaptation and mitigation

**OR Regional results**

- E04 Capacities of countries in region strengthened with respect to forest management, implementation of codes of practice for forest harvesting, fire management and forest rehabilitation, combating threats from forest invasive species and agroforestry, especially in relation to contribution of such activities to forest-related climate change mitigation and adaptation
- E06 Awareness of the environmental values of forests increased and capacities of countries in region strengthened for addressing issues related to forest invasive species, natural resources-related disasters, conservation of biodiversity, forest genetic resources, forest rehabilitation, watershed management and forest-related climate change mitigation and adaptation
- F05 Strengthened capacity in climate change adaptation and mitigation in the agricultural sectors and in sustainable bioenergy development in region

**Europe and Central Asia**

309. The Regional Conference for Europe endorsed ten priority areas for FAO action in the region, which will be addressed through Regional Results also contributing to FAO's corporate Organizational Results and Strategic Objectives.

**1. Provision of basic global data and statistics**

**OR Regional results**

- E01 Policies and practices affecting forests and forestry in region through data/information collection and processing
- H04 Countries in region have strengthened capacity to generate, manage, and analyze statistics and information for sustainable agriculture development, food security and better nutrition

**OR Regional results**

- H05 Knowledge and information production and exchange on food security and related trade policy issues are improved in region
- K02 Capacity of governments in the region to incorporate gender and social equality issues into agriculture, food security and rural development programmes, projects and policies, including production and use of sex-disaggregated statistics, is enhanced

**2. Assistance to define national economic, social, food and nutrition policies, with a focus on capacity-building for least-developed countries to meet global expectations and benefit from market opportunities****OR Regional results**

- A01 Enabled capacities for development of policies and strategies on sustainable crop production intensification and diversification in region
- B01 Strengthened policy and increased use of best practices to improve livestock productivity and market access of animal products
- F06 Agricultural research, knowledge-sharing and extension systems in region strengthened to generate and adopt innovations, manage natural resources and use biotechnologies in sustainable and safe manner
- G01 Policies and support services for crops, livestock and enterprise diversification and value addition, enable small and medium farmers and rural enterprises to improve competitiveness and inclusion into value chains
- G02 Capacities are built for implementing rural development programmes and policies, focusing on rural employment creation through rural income diversification
- G03 National policies based on informed decisions for smallholder commercialisation contribute to competitiveness of small and medium agribusinesses and poverty reduction
- H01 Countries of the region have strengthened capacity to monitor agricultural markets and increase awareness for risk mitigation on food security
- H03 Strengthened national capacities to improve nutrition of vulnerable groups and households in an integrated manner
- L01 Agriculture and rural development investment strategies and policies included into national and regional development plans and framework in region
- L02 Improved public and private sector organisations' capacity to develop and implement agriculture and rural development investment operations in region



### **3. Normative role at global level, as well as capacity building to reinforce technical and institutional capacities, especially for least developed countries**

#### **OR Regional results**

- A02 Strengthened Capacity of National Plant Protection Organizations (NPPOs) in the Implementation of International Standards for Phytosanitary Measures and Preventive Locust Management and cooperation in region
- A03 Improved capacities for development of national frameworks for pesticide management in accordance with International Codes and Conventions in region
- B01 Strengthened policy and increased use of best practices to improve livestock productivity and market access of animal products
- C02 Establishment and functioning of FAO Regional Fishery Bodies active in region
- C05 Operations of fisheries in the Eastern Mediterranean and Black Sea region are made more environmentally friendly and compliant with regional rules and regulations
- D03 Strengthened national capacities of food control systems and technical services related to food safety and quality in the food chain
- F01 Countries in the region promote and develop sustainable land management and planning
- F02 Countries in the region address water scarcity in agriculture and strengthen their capacities to improve water productivity at national and river-basin levels including transboundary water systems
- F04 An international framework is developed taking into account the regional specificity. Countries' capacities for responsible governance of access to land. Secure and equitable tenure of, land and its interface with other natural resources, with particular emphasis on its contribution to rural development is promoted
- F06 Agricultural research, knowledge-sharing and extension systems in the region is strengthened to generate and adopt innovations, manage natural resources and use biotechnologies in a sustainable and safe manner
- G02 Capacities are built for implementing rural development programmes and policies, focusing on rural employment creation through rural income diversification
- H03 Strengthened national capacities to improve nutrition of vulnerable groups and households in an integrated manner
- L02 Improved public and private sector organizations' capacity to develop and implement agriculture and rural development investments in the region

### **4. Implementation of food safety, sanitary and phytosanitary standards including global conventions**

#### **OR Regional results**

- A02 Strengthened capacity of National Plant Protection Organizations (NPPOs) in the implementation of International Standards for Phytosanitary Measures and preventive locust management and cooperation in region

<b>OR</b>	<b>Regional results</b>
-----------	-------------------------

- |     |  |
|-----|--|
| A03 | Improved capacities for development of national frameworks for pesticide management in accordance with International Codes and Conventions in the region   |
| B01 | Strengthened policy and increased use of best practices to improve livestock productivity and market access of animal products   |
| D03 | Strengthened national capacities of food control systems and technical services related to food safety and quality in the food chain   |
| D04 | National authorities have developed efficient programmes on food safety and food quality management for producers and food business operators  |
| F06 | Agricultural research, knowledge-sharing and extension systems in the region strengthened to generate and adopt innovations, manage natural resources and use biotechnologies in a sustainable and safe manner |

### **5. Animal and plant transboundary diseases**

<b>OR</b>	<b>Regional results</b>
-----------	-------------------------

- |     |   |
|-----|---|
| A02 | Strengthened capacity of National Plant Protection Organizations (NPPOs) in the implementation of International Standards for Phytosanitary Measures and preventive locust management and cooperation in region |
| A03 | Improved capacities for development of national frameworks for pesticide management in accordance with International Codes and Conventions in region  |
| B02 | Enhanced capacities of veterinary services in risk management of major transboundary animal diseases and zoonosis   |

### **6. Emergencies and rehabilitation**

310. No specific Regional Result but two unit results, and some products and services, contribute directly to Organizational Results.

### **7. Interface between climate change and agriculture and rural development**

<b>OR</b>	<b>Regional results</b>
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- |     |  |
|-----|--|
| F02 | Countries in region address water scarcity in agriculture and strengthen their capacities to improve water productivity of agricultural system at national and river-basin levels, including transboundary water systems |
| F05 | Countries in region have strengthened capacity to address emerging environmental challenges such as climate change   |

## 8. Gender

### OR Regional results

- K01 Rural gender issues are included and addressed in UN Joint Programmes for food security, agriculture and rural development in the region
- K02 Capacity of governments in region to incorporate gender and social equality issues into agriculture, food security and rural development programmes, projects and policies, including production and use of sex-disaggregated statistics, is enhanced
311. In addition, the Regional Results related to A01, A02, A03, A04, E01, E02, E03 and E05 address gender-related issues.

## 9. Conservation and management of plant and animal genetic resources

### OR Regional results

- A04 Enhanced capacities for development of national PGRFA strategies or policies and improved capacities for development and implementation of seed programmes in the region
- B03 Improved capacity for better management of animal genetic resources in livestock production
- F06 Agricultural research, knowledge-sharing and extension systems in the region strengthened to generate and adopt innovations, manage natural resources and use biotechnologies in a sustainable and safe manner

## 10. Sustainable management of forests

### OR Regional results

- E01 Policies and practices affecting forests and forestry in region developed through data/information collection and processing
- E02 Platforms and networks for international cooperation and debate contributing to enhance forest policies and practices supported
- E03 Governance on forest-related issues through strengthened institutions and improved decision-making processes improved
- E05 Capacities of the private forest sector in the region strengthened

## Latin America and the Caribbean

312. The Regional Conference for Latin America and the Caribbean endorsed priorities for FAO action for each subregion, translating into six areas of priority action for the region. These will be addressed through Regional Results also contributing to FAO's corporate Organizational Results and Strategic Objectives.

### 1. Food and nutrition security

OR	Regional results
B01	Livestock sector enabled to increase productivity, efficiency and food security contribution of commercial and family livestock production systems supported by FAO-advised policies and strategies
G04	Governments have access to analysis and recommendations that allow them to incorporate food security and poverty reduction considerations in the formulation of trade and agricultural policies
H01	Countries in the region can rely on information and comparative analyses to formulate food security and nutrition policies and programmes, also taking account of gender aspects
H02	Countries in the region apply the voluntary guidelines for the right to food and participate effectively in the reformed CFS
H05	Policy-makers have improved access to analyses from FAO on food security, agriculture and nutrition, taking account of gender aspects
L01	Policies and programs at the national and subregional level in Central and South America take into account the relevance and importance of increased investment for food security and/or small-holder (family) agricultural development
B04	Regional Livestock Commission actively involved in the discussion of priorities and regional frameworks for the sustainable development of the livestock sector in region

### 2. Plant, animal health (including transboundary diseases) and food safety

OR	Regional results
A02	Countries improve their phytosanitary capacities in the management of outbreaks of pests and diseases
A03	Countries improve their capacities in pesticides risk management
B02	Animal/public health programs and coordination mechanisms for the prevention, control and eradication of priority TADs and zoonotic diseases improved through FAO's technical assistance
D02	Countries in the region have elaborated food safety policies and improved food control systems
D03	Countries in the region have risk – based food safety and quality assurance programmes
D04	Countries in the region have programmes to promote good hygienic food safety and quality practices
D01	Participation of countries to Codex meetings and use of Codex standards, guides and recommendations is enhanced

### 3. Climate change (mitigation and adaptation) and sustainability of agriculture and natural resources (including biodiversity)

#### OR Regional results

- E04 Knowledge generated and shared in sustainable forest management contributing to the adaptation and mitigation of climate change
- E05 Policy and practice affecting forests and forestry institutions are strengthened contributing to improve livelihoods and climate change mitigation and adaptation
- E06 Environmental, social and silvicultural values of the forests being effectively applied in the strategies for biodiversity conservation, adaptation and mitigation to climate change, in the rehabilitation of degraded lands, watershed management and management of wildlife
- F05 Regional/international organizations and countries in region that share updated information and participate in events for knowledge and experience transfer on bioenergy, risk management and climate change adaptation
- I01 Countries have enhanced programmes and risk assessment capacities to deal with climate change both from the prevention and adaptation perspectives
- L02 Capacity of national counterparts strengthened in investment cycle and project management through FAO-led interdisciplinary assistance, mentoring and formal training
- B03 Livestock sector environmental sustainability addressed by countries supported by FAO-advised policies and strategies on degraded grazing land recovering, climate change mitigation/adaptation and sustainable AnGR management and conservation.
- C01 Countries have improved formulation of policies and standards for the implementation of the CCRF.
- C03 Countries are in the process of adopting FAO-assisted more effective management measures to improve the state of fisheries resources, ecosystems and their use.
- E01 Capacities in countries strengthened in collection, analysis, reporting and sharing of reliable information and data of forests and forestry leading to improved management and increased cooperation regionally.
- E02 Regional Forestry Commission for LAC (COFLAC) performing as an active forum of dialogue for the countries and involved in defining regional priorities and work plans for the sustainable forest management.
- F01 Countries in the region that share information and implement good agricultural practices on rainwater water harvesting for small scale agricultural production.
- F02 Countries in the region that address water scarcity in agriculture and strengthen their capacities to improve water productivity of agricultural systems and address water use-related conflicts at national and watershed levels.
- F04 An international framework is developed taking into account regional specificities, and countries' capacities are reinforced for responsible governance of access to, and secure and equitable tenure of, land, water and other natural resources, with particular emphasis on its contribution to rural development.

**OR Regional results**

- F06 Countries have improved capacities to access and share knowledge for sustainable natural resource management.
- B04 Regional Livestock Commission actively involved in the discussion of priorities and regional frameworks for the sustainable development of the livestock sector in region

**4. Support to family farming (including training and technology transfer to small producers) and rural development****OR Regional results**

- A01 Countries improve their capacities on sustainable crop production intensification strategies for crop production.
- A02 Countries improve their phytosanitary capacities in the management of outbreaks of pests and diseases
- A03 Countries improve their capacities in pesticides risk management
- A04 Countries improve their capacities in the management of seed production systems
- C04 Countries benefit from an increase in fish production in rural areas from farmers with limited resources
- F04 An international framework is developed taking into account regional specificities, and countries' capacities are reinforced for responsible governance of access to, and secure and equitable tenure of, land, water and other natural resources, with particular emphasis on its contribution to rural development
- G01 Governments in the region have better tools to develop market opportunities for small producers and family farms and rural women
- G03 Countries of Central America have improved family farming sectors, including participation of women to marketing and agribusiness
- L01 Policies and programs at national and subregional level in Central and South America take into account the relevance and importance of increased investment for food security and/or smallholder (family) agricultural development
- L03 Preparation and supervision of effective public and private sector investments in food security and sustainable agricultural and rural development in countries. Effective partnerships with IFIs and donors to jointly achieve country development goals

## 5. Enhanced institutional capacities, policy formulation (including regional coordination and institutional links) and investment

OR	Regional results
C02	Fisheries and aquaculture sectors governance has improved in countries through strengthening of national and regional institutions
E02	Regional Forestry Commission for Latin America and the Caribbean (COFLAC) performing as an active forum of dialogue for the countries and involved in defining regional priorities and work plans for sustainable forest management
E03	Institutional and human resources capacity strengthened in formulation and implementation of forest policies, laws and governance at all levels through multistakeholder participatory approaches
G02	Policy-makers, employers and workers associations benefit from and are able to discuss policy measures to improve rural job markets and facilitate access to land by both men and women
G04	Governments in the region have access to analysis and recommendations that allow them to incorporate food security and poverty reduction considerations in formulation of trade and agricultural policies
H01	Countries in the region can rely on information and comparative analyses to formulate food security and nutrition policies and programmes, also taking account of gender aspects
H02	Countries in the region apply the voluntary guidelines for the right to food and participate effectively in the reformed CFS
H05	Policy-makers have improved access to analyses from FAO on food security, agriculture and nutrition, taking account of gender aspects
L01	Policies and programmes at national and subregional level in Central and South America take into account the relevance and importance of increased investment for food security and/or smallholder (family) agricultural development
L02	Capacity of national counterparts strengthened in investment cycle and project management through FAO-led interdisciplinary assistance, mentoring and formal training
L03	Preparation and supervision of effective public and private sector investments in food security and sustainable agricultural and rural development in countries. Effective partnerships with IFIs and donors to jointly achieve country development goals

## 6. Addressing gender and youth issues

OR	Regional results
G02	Policy-makers, employers and workers associations benefit from and are able to discuss policy measures to improve rural job markets and facilitate access to land by both men and women
G03	Countries of Central America have improved family farming sectors including participation of women to marketing and agribusiness
H01	Countries in the region can rely on information and comparative analyses to formulate food

**OR Regional results**

- security and nutrition policies and programmes, also taking account of gender aspects
- H04 Countries have improved capacities to adopt gender-differentiated statistical systems relating to food security and nutrition
- H05 Policy-makers have improved access to analyses from FAO on food security, agriculture and nutrition, taking account of gender aspects
- K03 Countries have improved capacities to implement, review and update, public policies to enhance gender equity in rural areas

**Near East**

313. The Regional Conference for the Near East endorsed five priority areas for FAO action in the region, which will be addressed through Regional Results also contributing to FAO's corporate Organizational Results and Strategic Objectives.

**1. Enhancing food security and nutrition****OR Regional results**

- A01 National strategies elaborated for sustainable crop production intensification and diversification
- A04 Seed systems in selected Near East countries improved
- B01 Livestock productivity is improved for food security, poverty alleviation and sustainable economic development in the Near East
- D03 Countries in the Near East have strengthened capacity to develop, adopt and enforce food standards and improve food control systems in line with international recommendations
- F05 Food security-related sectors in the Near East region have strengthened capacity to adapt to climate change impacts
- H01 Countries in the Near East have strengthened capacity in food security analysis, and to formulate and implement food security and nutrition policies and programmes
- H03 Countries in the Near East have strengthened capacity in the assessment, monitoring, and analysis of nutrition and household food security and in developing science-based guidance and policies
- H04 Countries in the Near East have strengthened capacity and systems to collect, process, analyze and disseminate agricultural statistics for improved information and food security decision-making, and have facilitated the exchange of best practices and methods
- H05 Knowledge exchange and information management in food security and rural and agricultural development sectors are strengthened in the Near East Region



## 2. Fostering agricultural production and rural development for improved livelihoods

### OR Regional results

- A01 National strategies elaborated for sustainable crop production intensification and diversification
- A04 Seed systems in selected Near East countries improved
- B01 Livestock productivity is improved for food security, poverty alleviation and sustainable economic development in the Near East
- B04 Strengthened partnership with national, subregional and regional public and private research and development institutions for the integration of smallholders into livestock value chain in the Near East
- C01 Support for the formulation of policies and standards that facilitate the implementation of the Code of Conduct for Responsible Fisheries (CCRF), as well as response to emerging issues
- C06 Support to Members and other stakeholders to achieve more responsible post-harvest utilization and trade of fisheries and aquaculture products, including the enhancement of the fish supply and value chain
- D03 Countries in the Near East have strengthened capacity to develop, adopt and enforce food standards and improve food control systems in line with international recommendations
- G03 Agro-industry and agribusiness strategic capacity strengthened in the Near East region
- L02 Improved regional capacity in investment and policy planning and implementation
- L03 Increased and more effective public and private investment in agriculture and rural development in the Near East

## 3. Sustainable natural resource management

### OR Regional results

- A03 Pesticide management capacity of the Near East countries built
- B03 Sustainable use of natural resources including genetic resources to improve adaptation of the livestock sector to drought, market, and other uncertainties in the Near East
- C02 Contribution to sustainable management and development of fisheries and aquaculture through supporting national and regional institutions and networks including Regional Fisheries Bodies (RFBs)
- C06 Support to Members and other stakeholders to achieve more responsible post-harvest utilization and trade of fisheries and aquaculture products, including the enhancement of the fish supply and value chain
- E02 Importance of arid zone forests and rangelands in the Near East region recognized through international and regional cooperation and dialogue
- E03 Sustainable management of arid zone forests and rangelands strengthened and needed investments for the national forest programme mobilized

**OR Regional results**

- E06 Environmental services of forests and rangelands enhanced by implementation of strategies for improved carbon stocks in sustainably managed forest and range resources; water, soil and biodiversity conservation; and climate change adaptation
- F01 Member countries promoting and developing sustainable land management, taking into account land tenure related issues
- F02 Resilience to water scarcity in the Near East Region is increased
- F06 Access to scientific and technical information on innovation in natural resource management and agricultural development has been facilitated in the Near East region

**4. Responding to climate change impacts and developing adaptation strategies****OR Regional results**

- A03 Pesticide management capacity of Near East countries built
- B03 Sustainable use of natural resources, including genetic resources, to improve adaptation of the livestock sector to drought, market, and other uncertainties in the Near East
- E06 Environmental services of forests and rangelands enhanced by implementation of strategies for: improved carbon stocks in sustainably managed forest and range resources; water, soil and biodiversity conservation; and climate change adaptation
- F05 Food security-related sectors in the Near East region have strengthened capacity to adapt to climate change impacts

**5. Preparedness for, and response to, agriculture and food emergencies****OR Regional results**

- A02 Risk of transboundary plant pests and diseases reduced
- B02 Reduced economic, environmental and public health impacts and risks of endemic, transboundary, zoonotic, and food-borne diseases in the Near East

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## Annex II: Summary description of the core functions of FAO

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### *Monitoring and assessment of long- and medium-term trends and perspectives*

314. As for all specialised agencies of the UN system, Members look to FAO to continuously review trends, issues and challenges in its mandate areas and propose policy solutions to address them. Major findings are compiled to serve as reference points for planners, policy-makers and partner development agencies. Projections are used to set international policy goals, such as in the recent past the World Food Summit target or MDG1. FAO's outlook studies and projections also inform many technical assessments, notably those of the International Panel on Climate Change, the World Bank and other UN system organizations.

315. FAO's assessments and perspective studies must deal with a wide range of topics, including agricultural commodity markets, the outlook for food security and poverty, population, technology, land, water and genetic resources, trade and globalisation, the environment, and climate change. In a dynamically changing world, such work will continue to address internationally-recognised challenges as they emerge. Future directions are likely to include: broader and deeper analysis of the impacts of high energy prices on agricultural markets, the consequences of climate change, or the impact of transboundary pests and diseases on agriculture and societies at large. While coverage may change, the prevailing concern is to offer solid and reliable data, assessments and analyses that should help policy-makers and planners make informed choices and decisions.

316. Global perspective studies also require a true multidisciplinary approach. Internally, they draw on the considerable knowledge available in the specialised units of FAO's technical departments. Thus, as in the past, future outputs will benefit from accumulated know-how on a vast variety of agriculture-related topics, such as crop and livestock production, rural infrastructure, mechanisation and storage, seeds, fertilizer and pesticides, land and water or natural resource use and management. The second – external – pillar of multidisciplinary is the specialised knowledge of other organizations. FAO has long-standing and fruitful cooperation agreements with IIASA<sup>51</sup>, OECD, the World Bank, the UN Population Division, and many other organizations inside and outside the UN system. An important feature of this cooperation is to keep open dialogue on issues of strategic importance. Hence FAO's "outlook" work combines proven or innovative quantitative approaches well rooted in its vast store of information and knowledge, a multidisciplinary basis where pertinent, and active cooperation with professional partners.

### *Assembly and provision of information, knowledge and statistics*

317. Being at the centre of FAO's mandate, the assembly and provision of information, knowledge and statistics is underpinned by a detailed Information and Knowledge Strategy, under the aegis of an Interdepartmental Working Group on Knowledge Management, as well as the FAO Publishing Policy. A complementary corporate strategy on statistics is implemented by the Statistics Programme Steering Committee.

318. For information and knowledge, work under this core function is governed by three main pillars:

- a) how information and knowledge sharing adds value through FAO's own programme and cooperation with partners. Hence, the corporate strategy gives due prominence to the principal mechanisms by which FAO should serve Members as: (i) a provider of knowledge; and (ii) a facilitator of knowledge flow within the global community, including support to development of such capacities in countries;
- b) continuous improvement of FAO as a Learning Organization. Knowledge management, as a discipline, has developed practical, common sense methods and tools such as: "learning before, learning during, learning after" and support to "communities of practice". FAO staff and partner organizations convene in such

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<sup>51</sup> International Institute of Applied System Analysis

venues as Knowledge Share Fairs to exchange experiences on practices, lessons learned, tools and methods in the field of agricultural development and food security; and

c) ensuring synergies between people, processes and technology.

319. For statistics, the main areas of focus are: i) improving countries' capacity to collect, compile, analyse, store and disseminate relevant and timely data on food and agriculture, including fisheries and forestry, following the recommendations of the Independent Evaluation of FAO's role and work in statistics<sup>52</sup>; ii) support to countries through CountrySTAT and other tools developed and agreed for individual sectors, i.e. fisheries, forestry and natural resources; iii) an upgraded FAOSTAT, the Organization's corporate statistical database, and other major information systems; and iv) a statistical data warehouse within the corporate data repository for technical information, to integrate better the statistical information available within FAO, as well as provide the required data quality assessment and metadata.

#### *Development of international instruments, norms and standards*

320. The FAO Constitution (i.e. Art. I. and XIV) foresaw a major role for the Organization as a neutral forum for Members to negotiate international instruments. This core function facilitates and supports governments' efforts in the development of regional and international legal instruments, and also in the implementation of their resulting national obligations. Stemming from the activities of its own statutory bodies or at the request of other intergovernmental organizations, in particular the World Trade Organization (WTO), setting norms, standards and voluntary guidelines is also a major tool with which FAO seeks to respond to the priorities of the Membership.

321. From a technical point of view, the development and implementation of internationally-recognised instruments, standards and action plans, and also Members satisfying requirements under WTO Agreements, depend on Secretariat support to the appropriate bodies, including preparing draft standards for negotiation at intergovernmental level.

322. This core function seeks to meet substantial demands for advice in drafting and subsequent enactment of pertinent national legislation (basic law and regulatory instruments), also bearing in mind the need for public administration and private sector cooperating in a mutually beneficial manner. The fields concerned are mainly plant protection and quarantine, food safety and genetic resources. In addition, the Organization promotes further national and international actions with respect to scientific, technical, social and economic issues relating to nutrition, food and agriculture resources, and responsible policies and methods of agricultural production.

#### *Policy and strategy options and advice*

323. This core function is closely interlinked with other core functions. FAO needs to articulate policy and strategy options based on available evidence and its assessments of trends in food security and agriculture, fisheries and forestry. Members and their Regional Economic Integration Organizations (REIOs) require and demand policy advisory services which build on the knowledge available in FAO (as well as obtained through its partners). The array of policy and legislative assistance work includes: policy advice, capacity building for policy formulation and implementation, institutional strengthening and restructuring, country information, policy intelligence and monitoring, and identification of Members' priorities for effective field programme development.

324. In the legal area, policy and strategy options are formulated with an eye on strengthening binding and non-binding international regulatory frameworks, with appropriate partnerships where joint action is needed. Besides the essential contribution of standards and other national legal instruments to these frameworks, advocacy and communication tools are to mobilise political will to foster effective implementation.

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<sup>52</sup> PC 100/3 a); PC 104/INF/3

325. In the application of this core function, it is important to:

- build and maintain institutional knowledge on policy and strategy options and avoid fragmented approaches;
- identify and analyse cross-cutting issues and privilege multidisciplinary in such strategy options and advice;
- enhance further capacity building in countries to enable them to implement well-tailored policies, as well as effective tools for their implementation;
- engage in regular consultations with public and private stakeholders;
- widely share guidelines and best practices on the development of policy; and
- participate proactively in other international fora where policy and instruments with bearing on FAO's mandate, are conceived and adopted.

*Technical support to promote technology transfer and build capacity*

326. Stewardship of this core function is under the Interdepartmental Working Group on Capacity Development. Capacity Development is defined as the “process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time” (OECD/ Development Assistance Committee). The terminology reflects an evolution from an essentially externally-driven process in countries where there were virtually no pre-existing capacities, to a new approach placing emphasis on national ownership and nationally-led change processes.

327. This core function involves taking account of three key dimensions: the enabling environment, specific institutions, and the individuals, with all three dimensions ideally addressed in interventions. While individuals are the ultimate beneficiaries, their contributions greatly depend on the effectiveness of the institutions in which they work or those which affect them. Institutional effectiveness, both singly and via networks, is in turn influenced by the general policy environment. Two types of capacities are addressed: technical capacities to carry out the tasks required to intensify production in a sustainable manner, manage resources and eventually improve food security; and functional capacities falling in the following areas: normative and policy, knowledge, outreach and partnering and implementation/delivery. Functional capacities are essential to plan, lead, manage and sustain change initiatives in relevant areas of FAO's mandate.

328. Application of this core function requires:

- capacity development approaches fully institutionalised within existing systems and procedures, and appropriate governance, tools, and guidelines;
- good practices mainstreamed in FAO's programming tools;
- effective tracking and reporting mechanisms;
- communication internally and externally with authorities in countries and partners; and
- enhanced human resources systems.

*Advocacy and communication*

329. Application of this core function serves to achieve broader outcomes, including:

- ensuring lasting impact from science-based policies promoted by the Organization, also favouring investment in agriculture and rural development;
- building consensus globally for ambitious yet realistic objectives of eradicating hunger;
- enhancing FAO's status as a reference point and authoritative source of technical information, in global debates on hunger relief and other issues related to agriculture, forestry, fisheries, livestock and rural development;

- increasing awareness of concrete contributions to the development process, as well as post-emergency relief, rehabilitation and transition to development, thereby increasing support to the Organization; and
- assuring Members that their financial and other contributions are put to good use.

330. Work involves various types of communication with a range of audiences, including:

- information to the general public, the media, governments and civil society on matters related to FAO's mandate (e.g. the impact of, and current situations *vis-à-vis* transboundary animal and plant pests and diseases, post-emergency needs assessments, trends in commodity prices, etc.);
- advocacy materials, primarily on behalf of the needs of undernourished people;
- technical and policy information through online and print publishing;
- "executive" dissemination of information to stakeholders and Permanent Representatives;
- FAO flagship publications of the "State of ..." type, i.e. covering food insecurity, agriculture, forestry, fisheries and trade; and
- the Internet Web site – one of the most visited in the UN system – as a crucially important "window". Online social networks are also increasingly utilised.

331. Internal communication is also expected to play a key role as well-informed staff can convey better FAO's core messages and be among its most effective advocates. Active partnerships with other international agencies, civil society organizations and the private sector assist in magnifying FAO's messages and promoting action against hunger. High-profile events involving goodwill ambassadors and other celebrities are used to communicate with, and involve broad audiences and boost the visibility of World Food Day events in developed countries.

#### *Interdisciplinarity and innovation*

332. Interdisciplinary approaches and the design of cross-sectoral programmes by essence capitalise on the Organization's disciplinary excellence and make it possible to induce impact or produce outputs that cannot be generated by one unit working in isolation. A regular flow of innovations – provided they are well-tested and accepted by those most concerned – are a major ingredient to the constant evolution effort required of any institution.

333. The new results-based regime in FAO also greatly contributes to enhancing interdisciplinarity. Most, if not all of the Strategic and Functional Objectives and underlying Organizational Results, the Impact Focus Areas, and the other core functions imply constant interactions and working across disciplinary lines. Interdisciplinarity must also be seen in the context of external partnerships and alliances, particularly in the UN system context in which FAO, as a Specialised Agency, needs to participate actively in broad intersectoral efforts and initiatives, particularly at country level, but also in relation to developments in other intergovernmental fora.

334. Interdisciplinarity also affects human resources management in many ways, including:

- appropriate training to strengthen capacity for cross-sectoral problem identification, goal formulation, priority setting, planning, monitoring and evaluation; and
- recognizing in staff appraisal systems the achievements and benefits obtained through working along interdisciplinary lines.

#### *Partnerships and alliances*

335. FAO's leadership in international governance of agriculture and agricultural development matters clearly requires mobilisation of the pertinent best knowledge and capacities. Such knowledge and capacities do not reside only in FAO, so effective collaborative links should be established with various institutions in support of shared goals. FAO's ability to fulfil its mandate is greatly leveraged

by partnerships that can reinforce its credibility as a knowledge organization and raise its profile in global fora, adding value through combining effort.

336. At practical level, this implies knowing where the knowledge for sound stewardship in the areas of food, agriculture and nutrition can be found and accessed at global, regional, national and even local levels. This core function aims at building such durable and sustainable strategic partnerships. Partnerships also offer potential for cost savings and economies of scale. However, up-front investments may also be required and should be recognised before longer-term benefits can materialise. It is also important that practical and constantly updated guidance is available to both FAO units and partners to facilitate the selection, prioritisation, development and management of new or renewed partnerships.

337. This core function also takes account that FAO partners to: (i) enhance its technical performance; (ii) establish horizontal collaboration in strategic or operational programming, funding or advocacy; and (iii) reach out better to ultimate users of its services. Partnerships include those with research institutions and International Financing Institutions. FAO also partners with inter-governmental entities and regional organizations, as well as with civil society including both people's organizations and non-governmental organizations, and the private sector. Many less formalised networking arrangements also contribute.

338. Special attention is given to strengthen partnerships with the UN system, including through UN reform processes and in the context of Delivering as One. Ongoing cooperation with other Rome-based agencies, IFAD and WFP is actively pursued.

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### Annex III: Impact Focus Areas

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339. Impact Focus Areas (IFAs) are corporate communication tools to attract additional voluntary resource contributions and partnerships to support the work of the Organization. They act as ‘flagships’ that highlight selected thematic areas of work across the Strategic Framework in order to:

- a) mobilize resources for priority groups of Organizational Results;
- b) enable pooled, and less rigidly tied, funding through voluntary contributions;
- c) address issues of priority to Members with emphasis on capacity development and getting policy frameworks right; and
- d) facilitate governing body oversight of the use of voluntary contributions in line with agreed priorities.

340. IFAs have a duration of four years, are linked to the Medium Term Plan and provide flexibility to respond to changes in requirements. The seven IFAs approved in the MTP 2010-13 are outlined below. Their titles have been shortened to facilitate communication.

Symbol	IFA Title
<b>IFA –CFA</b>	Global Food Crisis (Comprehensive Framework for Action)
<b>IFA EMPRES</b>	Transboundary Threats to Production, Health and Environment
<b>IFA SFM</b>	Sustainable Forest Management
<b>IFA CCRF</b>	Code of Conduct for Responsible Fisheries
<b>IFA WALS</b>	Scarcity of Water and Land Resources
<b>IFA CDIS</b>	Capacity Development for Information and Statistics
<b>IFA SNL</b>	Global Standard Setting and Implementation into National Policies and Legislation

341. **Global food crisis (Comprehensive Framework for Action).** The CFA was designed to encourage concerted responses to the food price crisis with actions that respond to the immediate needs of vulnerable populations and contribute to longer-term resilience (the twin track approach). Still based on the twin track approach, the updated CFA covers a wider range of issues and contains a more detailed treatment of all aspects of food and nutrition security than its predecessor. It prioritizes environmental sustainability, gender equity, the prerequisites for improved nutrition and the needs of those least able to enjoy their right to food. It acknowledges that, while States have the primary role in ensuring food and nutrition security for all, numerous other actors have vital contributions to make. While the entire Strategic Framework contributes to the achievement of the CFA objective of eradicating world poverty and hunger, particular focus is placed on some elements of the CFA, in particular: “*Urgent increases in food availability from smallholder farmer food production*”; “*Sustained increases in food availability through growth in smallholder farmer food production*” and, “*Strengthened information monitoring and accountability systems*”. The purpose of the IFA CFA is to increase the scale and focus of FAO’s corporate support to the achievement of the CFA outcomes, in particular including a focus at country level.

342. **Transboundary threats to production, health and environment (EMPRES).** International epidemics and pandemics of animal diseases and plant pests and diseases, as well as major food safety incidents, pose serious threats to animal and human health and can carry devastating economic consequences. Climate change, intensive production systems and global trade are making such outbreaks more frequent, calling for immediate and effective response on the part of the international



community. FAO plays a leading role in prevention, detection and response as shown in the eradication of rinderpest, and tackling desert locusts and highly pathogenic avian influenza (poultry dimension), reinforced by an increasing role in disaster preparedness. The IFA will focus on strengthening national systems, especially in developing countries, to recognize and respond to transboundary threats earlier; reduce the risk of those threats spreading within countries, to neighbouring countries and to trading partners; protect national production; ensure food safety and quality along the supply chain; and reduce environmental hazards and health risks.

343. **Sustainable forest management.** As the quantity of, and access to, information about forests and forestry continue to rapidly expand, the need to share and manage knowledge more effectively is becoming more urgent. The IFA focuses on:

- strengthening national capacities to monitor, assess and report on the extent, condition, uses and values of forests and tree resources;
- effective implementation of forest policies, plans and responsible management practices based on good information and transfer of knowledge;
- strengthening capabilities of all countries to contribute to international policy formulation and to meet their global reporting obligations under the UN Framework Convention for Climate Change, the Convention on Biological Diversity, the UN Convention to Combat Desertification, and the UNFF Non-legally binding instrument on all types of forests.

344. **Code of Conduct for Responsible Fisheries.** The ecosystem approach to fisheries and aquaculture provides a framework for a comprehensive implementation of the Code of Conduct. While many countries have embraced the ecosystem approach and its principles, they need support in implementation. Consistent with the priorities of the Committee on Fisheries (COFI) and the COFI Sub-Committees on Aquaculture and Trade, the IFA seeks to promote responsible fisheries and aquaculture sector management with priority given to capacity development in support of the Code and related international instruments including the Compliance Agreement, the Strategies for Improving Information on Status and Trends (STF and STA) and International Plans of Action (IPoAs) and Guidelines.

345. **Coping with scarcity of water and land resources.** The world is facing increasing scarcity of water and land resources for agricultural production. Reconciling the competition for water and land, while sustaining the productive and environmental values of agricultural systems, is critical. Groundwater depletion, land degradation and widespread salinization of productive soils are already forcing migration from drought-afflicted areas. These impacts can be taken as the first indicators of water and land scarcity in rural economies across the world. The complexity and variety of the agricultural systems under consideration call for a higher-level coping response to “scarcity” of water and land resources. This IFA will contribute to the achievement of the Organizational Results where water is a prime productive and environmental agent, providing a focus on natural resource scarcity within and across them, particularly in view of climate change and competition among sectors. It will serve as a platform to mobilize resources in order to scale up operational responses in water and agricultural management, to address the points of competition and reduce the threats to global agricultural production posed by water and land scarcity.

346. **Capacity Development for information and statistics.** One of the key functions of FAO, as stated in the first Article of its constitution, is to collect, analyse, interpret and disseminate information relating to nutrition, food and agriculture. To have an impact, statistics and information have to be widely accessible and used in policy formulation and decision-making. FAO fosters partnerships with national actors to develop their capacities to generate quality information and accurate statistics, and to make such outputs truly accessible to stakeholders at all levels. FAO has a range of innovative programmes designed to inform and empower key players, such as policy makers, professionals in the public domain, entrepreneurs, and women and men small producers. The purpose of the IFA is to increase the scale and focus of FAO support to achieve improved basic quality of the data provided by member countries, in particular in those countries where the data is most needed to assess food insecurity and vulnerability.

347. **Global standard setting and implementation into national policies.** FAO offers an intergovernmental neutral forum for the development and implementation of international instruments that set standards for all sectors of food and agriculture. These standards are developed at the request of FAO statutory bodies or intergovernmental organizations (e.g. WTO and UNGA). FAO promotes active participation in this process of all stakeholders. The impact of international standards depends on the effectiveness of their implementation at national level. Where national capacities are insufficient, FAO assists its Members, particularly developing countries, with capacity building including through enhanced national and regional policies and legislation. The IFA will focus on strengthening national and global capacities for the development and implementation of regulations and standards with particular attention to the capacities and participation of developing countries (plant protection, food safety, genetic resources).

**Table 27: Impact Focus Areas by Organizational Result**

OR	CFA	EMPRES	SFM	CCRF	WALS	CDIS	SNL
A1	x				x		x
A2		x					x
A3		x					x
A4							x
B1	x						
B2		x					
B3					x		x
B4	x						
C1				x		x	
C2				x			
C3				x			
C4		x					
C5				x			
C6				x			
D1							x
D2							x
D3		x					x
D4							x
E1			x			x	
E2			x				
E3			x				
E4		x	x				
E5			x				
E6			x				
F1					x	x	
F2					x	x	
F3							x
F4					x		
F5					x		
F6						x	
G1	x						
G2	x						
G3	x						
H1	x						
H2	x						
H3							
H4						x	

OR	CFA	EMPRES	SFM	CCRF	WALS	CDIS	SNL
H5						x	
I1		x					
I2		x					
I3	x	x					
K1							
K2						x	
K3	x						
L1	x						
L2	x				x		
L3	x						

**Annex IV: 2012-13 Budget Proposal by Strategic/Functional Objective and Funding Source (in USD 000 at 2010-11 rates)**

Strategic/Functional Objective	Net Appropriation	Core Voluntary	Percent in pipeline projects	Emergencies	Percent in operational and pipeline projects	Support to Field Programme / Assistance to Member Countries	Percent in operational and pipeline projects	Total Extra-budgetary	Percent in operational and pipeline projects	Total
A - Sustainable intensification of crop production	58,450	2,573	38.4%	109,393	2.4%	150,538	12.2%	262,504	7.1%	320,954
B - Increased sustainable livestock production	37,639	8,142	89.5%	109,337	3.7%	13,736	35.9%	131,214	12.5%	168,853
C - Sustainable management and use of fisheries and aquaculture resources	66,509	39,611	65.4%	12,552	0.0%	33,930	57.6%	86,092	52.7%	152,601
D - Improved quality and safety of food at all stages of the food chain	30,941	6,429	51.7%	2,104	0.0%	9,043	36.8%	17,576	37.5%	48,517
E - Sustainable management of forests and trees	50,087	28,945	98.1%	4,154	0.0%	24,155	46.1%	57,254	66.7%	107,342
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	68,286	35,387	81.4%	19,437	8.6%	57,180	43.8%	112,004	48.9%	180,290
G - Enabling environment for markets to improve livelihoods and rural development	45,269	5,465	1.6%	1,494	78.3%	27,752	48.9%	34,712	41.0%	79,981
H - Improved food security and better nutrition	87,181	20,411	67.5%	20,357	0.0%	75,279	25.9%	116,047	29.1%	203,228
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	9,021	5,159	8.4%	374,153	4.7%	22,362	80.0%	401,675	9.9%	410,696
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	15,446	192	51.7%	2,010	6.0%	7,770	11.1%	9,972	10.1%	25,418

Strategic/Functional Objective	Net Appropriation	Core Voluntary	Percent in operational and pipeline projects	Emergencies	Percent in operational and pipeline projects	Support to Field Programme / Assistance to Member Countries	Percent in operational and pipeline projects	Total Extra-budgetary	Percent in operational and pipeline projects	Total
L - Increased and more effective public and private investment in agriculture and rural development	40,155	51,560	80.0%	2,167	0.0%	28,169	8.0%	81,896	53.0%	122,051
X - Effective collaboration with member states and stakeholders	229,136	14,016	34.5%	3,736	0.0%	15,935	42.4%	33,687	34.4%	262,822
Y - Efficient and effective administration	107,993	18,153	37.1%	17,564	0.0%	11,411	0.0%	47,128	14.1%	155,120
Technical Cooperation Programme	111,694	0		0		0		0		111,694
Contingencies	600	0		0		0		0		600
Capital Expenditure	26,046	0		0		0		0		26,046
Security Expenditure	24,686	1,139	100.0%	0		0		1,139	100.0%	25,825
<b>Total</b>	<b>1,009,138</b>	<b>237,181</b>	<b>68.7%</b>	<b>678,457</b>	<b>4.0%</b>	<b>477,259</b>	<b>30.0%</b>	<b>1,392,898</b>	<b>23.8%</b>	<b>2,402,035</b>



Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change			PWB 2012-13			
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
C05 - Operation of fisheries, including the use of vessels and fishing gear, is made safer, more technically and socio-economically efficient, environmentally-friendly and compliant with rules at all levels	5,347	21,540	26,887	(773)	0	(3,524)	(4,298)	4,574	18,016	22,589
C06 - Members and other stakeholders have achieved more responsible post-harvest utilization and trade of fisheries and aquaculture products, including more predictable and harmonized market access requirements	6,634	8,515	15,149	(1,087)	119	(1,688)	(2,656)	5,665	6,828	12,493
<b>C - Sustainable management and use of fisheries and aquaculture resources</b>	<b>55,626</b>	<b>87,685</b>	<b>143,311</b>	<b>(1,241)</b>	<b>12,124</b>	<b>(1,593)</b>	<b>9,290</b>	<b>66,509</b>	<b>86,092</b>	<b>152,601</b>
D01 - New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization	13,033	5,411	18,444	39	458	(774)	(277)	13,530	4,637	18,167
D02 - Institutional, policy and legal frameworks for food safety/quality management that support an integrated food chain approach	3,472	1,197	4,669	(1,142)	1,503	333	693	3,833	1,529	5,362
D03 - National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms	4,183	11,413	15,595	532	2,784	(5,478)	(2,163)	7,498	5,934	13,433
D04 - Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements	3,757	142	3,899	(15)	2,337	5,333	7,655	6,079	5,476	11,555
<b>D - Improved quality and safety of food at all stages of the food chain</b>	<b>24,445</b>	<b>18,163</b>	<b>42,608</b>	<b>(586)</b>	<b>7,082</b>	<b>(587)</b>	<b>5,909</b>	<b>30,941</b>	<b>17,576</b>	<b>48,517</b>
E01 - Policy and practice affecting forests and forestry are based on timely and reliable information	9,525	28,052	37,576	(585)	0	(18,385)	(18,969)	8,940	9,667	18,607
E02 - Policy and practice affecting forests and forestry are reinforced by international cooperation and debate	5,589	1,282	6,871	358	4,235	752	5,345	10,183	2,034	12,217
E03 - Institutions governing forests are strengthened and decision-making improved, including involvement of forest stakeholders in the development of forest policies and legislation, thereby enhancing an enabling environment for investment in forestry and forest industries. Forestry is better integrated into national development plans and processes, considering interfaces between forests and other land uses	6,622	16,507	23,128	(1,279)	947	(5,646)	(5,979)	6,289	10,860	17,149





Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change			PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Net Appropriation	Extra-budgetary	Total
G01 - Appropriate analysis, policies and services enable small producers to improve competitiveness, diversify into new enterprises, increase value addition and meet market requirements	9,553	29,251	38,804	54	4,719	(5,373)	14,326	23,877	38,203
G02 - Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships	2,898	11,020	13,919	(1,052)	879	(5,868)	2,725	5,153	7,878
G03 - National and regional policies, regulations and institutions enhance the developmental and poverty reduction impacts of agribusiness and agro-industries	7,365	9,257	16,623	(442)	1,408	(3,863)	8,331	5,394	13,725
G04 - Countries have increased awareness of and capacity to analyse developments in international agricultural markets, trade policies and trade rules to identify trade opportunities and to formulate appropriate and effective pro-poor trade policies and strategies	21,061	2,054	23,115	(2,513)	1,339	(1,766)	19,886	288	20,174
<b>G - Enabling environment for markets to improve livelihoods and rural development</b>	<b>40,878</b>	<b>51,582</b>	<b>92,460</b>	<b>(3,954)</b>	<b>8,345</b>	<b>(16,871)</b>	<b>45,269</b>	<b>34,712</b>	<b>79,981</b>
H01 - Countries and other stakeholders have strengthened capacity to formulate and implement coherent policies and programmes that address the root causes of hunger, food insecurity and malnutrition	15,618	51,721	67,339	872	6,929	13,335	23,419	65,056	88,475
H02 - Member countries and other stakeholders strengthen food security governance through the implementation of the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security and a reformed Committee on World Food Security	4,052	5,919	9,971	888	0	2,744	4,941	8,664	13,604
H03 - Strengthened capacity of member countries and other stakeholders to address specific nutrition concerns in food and agriculture	3,694	2,610	6,304	1,746	708	7,563	6,147	10,174	16,321
H04 - Strengthened capacity of member countries and other stakeholders to generate, manage, analyse and access data and statistics for improved food security and better nutrition	11,550	9,543	21,093	1,401	6,633	3,479	19,584	13,022	32,606
H05 - Member countries and other stakeholders have access to FAO analysis and information products and services on food security, agriculture and nutrition, and strengthened own capacity to exchange knowledge	23,539	20,093	43,632	1,284	8,266	(961)	33,090	19,132	52,221
<b>H - Improved food security and better nutrition</b>	<b>58,454</b>	<b>89,887</b>	<b>148,340</b>	<b>6,191</b>	<b>22,536</b>	<b>26,160</b>	<b>87,181</b>	<b>116,047</b>	<b>203,228</b>

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change			PWB 2012-13			
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
I01 - Countries' vulnerability to crisis, threats and emergencies is reduced through better preparedness and integration of risk prevention and mitigation into policies, programmes and interventions	4,393	54,114	58,507	357	0	31,366	31,723	4,751	85,479	90,230
I02 - Countries and partners respond more effectively to crises and emergencies with food and agriculture-related interventions	1,801	51,242	53,043	37	86	(10,151)	(10,028)	1,924	41,091	43,015
I03 - Countries and partners have improved transition and linkages between emergency, rehabilitation and development	1,116	266,861	267,978	1,229	0	8,243	9,472	2,346	275,104	277,450
<b>I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies</b>	<b>7,311</b>	<b>372,217</b>	<b>379,527</b>	<b>1,624</b>	<b>86</b>	<b>29,458</b>	<b>31,168</b>	<b>9,021</b>	<b>401,675</b>	<b>410,696</b>
K01 - Rural gender equality is incorporated into UN policies and joint programmes for food security, agriculture and rural development	2,030	798	2,828	(1,277)	69	826	(382)	822	1,623	2,446
K02 - Governments develop enhanced capacities to incorporate gender and social equality issues in agriculture, food security and rural development programmes, projects and policies using sex-disaggregated statistics, other relevant information and resources	2,296	5,849	8,145	(658)	801	(201)	(58)	2,439	5,648	8,087
K03 - Governments are formulating gender-sensitive, inclusive and participatory policies in agriculture and rural development	3,157	6,038	9,195	(750)	2,322	(3,387)	(1,816)	4,728	2,651	7,379
K04 - FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work	2,355	18	2,373	3,108	1,993	32	5,133	7,456	50	7,506
<b>K - Gender equity in access to resources, goods, services and decision-making in the rural areas</b>	<b>9,838</b>	<b>12,703</b>	<b>22,540</b>	<b>423</b>	<b>5,185</b>	<b>(2,731)</b>	<b>2,877</b>	<b>15,446</b>	<b>9,972</b>	<b>25,418</b>
L01 - Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies into national and regional development plans and frameworks	10,817	13,775	24,592	119	1,772	1,088	2,979	12,708	14,863	27,571
L02 - Improved public and private sector organisations' capacity to plan, implement and enhance the sustainability of food and agriculture and rural development investment operations	7,734	14,072	21,806	4,444	0	26,828	31,273	12,178	40,900	53,078
L03 - Quality assured public/private sector investment programmes, in line with national priorities and requirements, developed and financed	18,020	23,924	41,944	(2,751)	0	2,209	(543)	15,269	26,133	41,401
<b>L - Increased and more effective public and private investment in agriculture and rural development</b>	<b>36,571</b>	<b>51,771</b>	<b>88,342</b>	<b>1,812</b>	<b>1,772</b>	<b>30,125</b>	<b>33,709</b>	<b>40,155</b>	<b>81,896</b>	<b>122,051</b>

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change			PWB 2012-13			
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
X01 - Effective programmes addressing Members' priority needs developed, resourced, monitored and reported at global, regional and national levels	44,903	9,683	54,586	(2,425)	0	13,352	10,927	42,478	23,035	65,514
X02 - Effective and coherent delivery of FAO core functions and enabling services across Organizational Results	90,386	4,236	94,623	(12,518)	0	(1,480)	(13,998)	77,868	2,756	80,624
X03 - FAO's activities enhanced through effective corporate communication and advocacy, key partnerships and alliances	23,472	1,206	24,678	16,218	0	1,923	18,141	39,690	3,129	42,818
X04 - Effective direction of the Organization through enhanced governance and oversight	61,919	3,180	65,099	7,180	0	1,586	8,767	69,100	4,767	73,866
<b>X - Effective collaboration with member states and stakeholders</b>	<b>220,681</b>	<b>18,305</b>	<b>238,986</b>	<b>8,455</b>	<b>0</b>	<b>15,381</b>	<b>23,836</b>	<b>229,136</b>	<b>33,687</b>	<b>262,822</b>
Y01 - FAO's support services are recognised as client-oriented, effective, efficient and well-managed	66,724	12,720	79,444	(1,654)	0	13,367	11,713	65,069	26,087	91,157
Y02 - FAO's management information is recognised as being comprehensive, accurate, and relevant	26,852	3,675	30,527	(17,948)	0	16,153	(1,795)	8,904	19,828	28,732
Y03 - FAO is recognised as an employer that implements best practices in performance - and people-management, is committed to the development of its staff, and capitalises on the diversity of its workforce	25,007	2,158	27,165	9,013	0	(946)	8,067	34,019	1,212	35,232
<b>Y - Efficient and effective administration</b>	<b>118,583</b>	<b>18,553</b>	<b>137,136</b>	<b>(10,590)</b>	<b>0</b>	<b>28,574</b>	<b>17,984</b>	<b>107,993</b>	<b>47,128</b>	<b>155,120</b>
FAOR01 - Effective country network coverage and implementation in Africa	44,926	6,037	50,963	0	0	(6,037)	(50,963)	0	0	0
FAOR02 - Effective country network coverage and implementation in Asia Pacific	15,159	3,465	18,624	0	0	(3,465)	(18,624)	0	0	0
FAOR04 - Effective country network coverage and implementation in Latin America	18,388	3,891	22,279	0	0	(3,891)	(22,279)	0	0	0
FAOR05 - Effective country network coverage and implementation in Near East	7,596	681	8,277	0	0	(681)	(8,277)	0	0	0
FAOR07 - Effective country network coverage and implementation in Europe	2,224	125	2,349	0	0	(125)	(2,349)	0	0	0
<b>FAOR Programme</b>	<b>88,294</b>	<b>14,199</b>	<b>102,493</b>	<b>(88,294)</b>	<b>0</b>	<b>(14,199)</b>	<b>(102,493)</b>	<b>0</b>	<b>0</b>	<b>0</b>
TCP01 - TCP Management and Support	4,515	0	4,515	0	0	0	0	4,515	0	4,515
TCP02 - TCP - Projects	107,179	0	107,179	(1)	0	0	(1)	107,178	0	107,178
<b>Technical Cooperation Programme</b>	<b>111,694</b>	<b>0</b>	<b>111,694</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>111,694</b>	<b>0</b>	<b>111,694</b>
O01 - Contingencies	600	0	600	0	0	0	0	600	0	600
<b>Contingencies</b>	<b>600</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>600</b>

Strategic/Functional Objective and Organizational Result	PWB 2010-11			Change			PWB 2012-13			
	Net Appropriation	Extra-budgetary	Total	Net Approp (excl FAOR)	Net Approp FAOR	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
P01 - Core ICT Infrastructure	1,930	0	1,930	(242)	0	0	(242)	1,688	0	1,688
P02 - Corporate Administrative Applications	3,930	0	3,930	(2,930)	0	0	(2,930)	1,000	0	1,000
P03 - Corporate Technical Applications	5,300	0	5,300	(150)	0	0	(150)	5,150	0	5,150
P04 - Electronic Content and Document Management Systems	1,821	0	1,821	0	0	0	(1,821)	0	0	0
P05 - IPSAS (including FAS)	11,122	0	11,122	12,786	0	0	12,786	23,908	0	23,908
P06 - Management Information Systems	3,429	0	3,429	(2,429)	0	0	(2,429)	1,000	0	1,000
P07 - Support Human Resources Management Framework	4,272	0	4,272	0	0	0	(4,272)	0	0	0
P08 - Carryover	(5,000)	0	(5,000)	(1,700)	0	0	(1,700)	(6,700)	0	(6,700)
<b>Capital Expenditure</b>	<b>26,803</b>	<b>0</b>	<b>26,803</b>	<b>(757)</b>	<b>0</b>	<b>0</b>	<b>(757)</b>	<b>26,046</b>	<b>0</b>	<b>26,046</b>
Q01 - Safe and secure operating environment for headquarters programme delivery	11,737	188	11,925	1,516	0	0	1,516	13,252	188	13,440
Q02 - Safe and secure operating environment for worldwide programme delivery	14,349	601	14,950	(16)	0	350	334	14,333	951	15,284
Q03 - Carryover	(1,400)	0	(1,400)	(1,500)	0	0	(1,500)	(2,900)	0	(2,900)
<b>Security Expenditure</b>	<b>24,686</b>	<b>789</b>	<b>25,475</b>	<b>(0)</b>	<b>0</b>	<b>350</b>	<b>350</b>	<b>24,686</b>	<b>1,139</b>	<b>25,825</b>
<b>Total</b>	<b>1,000,526</b>	<b>1,245,856</b>	<b>2,246,382</b>	<b>(88,023)</b>	<b>96,634</b>	<b>147,042</b>	<b>155,654</b>	<b>1,009,138</b>	<b>1,392,898</b>	<b>2,402,035</b>

**Annex VI: 2012-13 Budget Proposal by Strategic/Functional Objective and Department/  
Office (in USD 000 at 2010-11 rates)**

<b>Strategic/Functional Objective and Department/Office</b>	<b>Net Appropriation</b>	<b>Extra- budgetary</b>	<b>Total</b>
<b>A - Sustainable intensification of crop production</b>	<b>58,450</b>	<b>262,504</b>	<b>320,954</b>
LEG - Legal and Ethics Office	315	0	315
CIO - Chief Information Officer Division	133	0	133
AG - Agriculture and Consumer Protection Department	36,815	1,332	38,147
ES - Economic and Social Development Department	1,257	35	1,292
NR - Natural Resources Management and Environment Department	248	0	248
TC - Technical Cooperation Department	136	220,038	220,173
RO - Regional Offices	3,573	2,417	5,990
SO - Subregional Offices	6,939	2,872	9,811
FC - FAO Representations	9,034	35,810	44,844
<b>B - Increased sustainable livestock production</b>	<b>37,639</b>	<b>131,214</b>	<b>168,853</b>
LEG - Legal and Ethics Office	158	0	158
CIO - Chief Information Officer Division	86	0	86
AG - Agriculture and Consumer Protection Department	20,157	9,406	29,562
ES - Economic and Social Development Department	732	0	732
FI - Fisheries and Aquaculture Department	84	0	84
NR - Natural Resources Management and Environment Department	166	0	166
TC - Technical Cooperation Department	0	110,000	110,000
RO - Regional Offices	2,933	1,570	4,504
SO - Subregional Offices	5,559	954	6,513
FC - FAO Representations	7,764	9,284	17,048
<b>C - Sustainable management and use of fisheries and aquaculture resources</b>	<b>66,509</b>	<b>86,092</b>	<b>152,601</b>
LEG - Legal and Ethics Office	226	0	226
CIO - Chief Information Officer Division	151	0	151
FI - Fisheries and Aquaculture Department	44,436	41,404	85,839
NR - Natural Resources Management and Environment Department	68	0	68
TC - Technical Cooperation Department	0	12,244	12,244
RO - Regional Offices	3,385	12,592	15,976
SO - Subregional Offices	6,120	2,095	8,215
FC - FAO Representations	12,124	17,758	29,882

<b>Strategic/Functional Objective and Department/Office</b>	<b>Net Appropriation</b>	<b>Extra-budgetary</b>	<b>Total</b>
<b>D - Improved quality and safety of food at all stages of the food chain</b>	<b>30,941</b>	<b>17,576</b>	<b>48,517</b>
LEG - Legal and Ethics Office	158	0	158
CIO - Chief Information Officer Division	71	0	71
AG - Agriculture and Consumer Protection Department	20,035	6,235	26,270
FI - Fisheries and Aquaculture Department	273	0	273
TC - Technical Cooperation Department	0	2,260	2,260
RO - Regional Offices	2,329	256	2,585
SO - Subregional Offices	994	457	1,451
FC - FAO Representations	7,082	8,368	15,450
<b>E - Sustainable management of forests and trees</b>	<b>50,087</b>	<b>57,254</b>	<b>107,342</b>
CIO - Chief Information Officer Division	112	0	112
FO - Forestry Department	29,722	30,887	60,609
NR - Natural Resources Management and Environment Department	45	0	45
TC - Technical Cooperation Department	120	4,000	4,120
LO - Liaison Offices	837	0	837
RO - Regional Offices	3,512	462	3,974
SO - Subregional Offices	6,206	1,929	8,135
FC - FAO Representations	9,532	19,976	29,509
<b>F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture</b>	<b>68,286</b>	<b>112,004</b>	<b>180,290</b>
OEK - Office of Knowledge Exchange, Research and Extension	10,323	12,584	22,907
CIO - Chief Information Officer Division	156	0	156
AG - Agriculture and Consumer Protection Department	1,908	0	1,908
ES - Economic and Social Development Department	1,866	0	1,866
FI - Fisheries and Aquaculture Department	68	0	68
FO - Forestry Department	45	0	45
NR - Natural Resources Management and Environment Department	29,325	27,336	56,661
TC - Technical Cooperation Department	587	20,100	20,688
RO - Regional Offices	5,616	444	6,060
SO - Subregional Offices	5,217	5,724	10,942
FC - FAO Representations	13,174	45,814	58,988
<b>G - Enabling environment for markets to improve livelihoods and rural development</b>	<b>45,269</b>	<b>34,712</b>	<b>79,981</b>
OEK - Office of Knowledge Exchange, Research and Extension	90	0	90
CIO - Chief Information Officer Division	103	0	103
AG - Agriculture and Consumer Protection Department	7,921	350	8,271
ES - Economic and Social Development Department	23,230	704	23,934
TC - Technical Cooperation Department	0	1,169	1,169
RO - Regional Offices	3,833	1,548	5,381
SO - Subregional Offices	1,747	8,545	10,292
FC - FAO Representations	8,345	22,394	30,740

<b>Strategic/Functional Objective and Department/Office</b>	<b>Net Appropriation</b>	<b>Extra-budgetary</b>	<b>Total</b>
<b>H - Improved food security and better nutrition</b>	<b>87,181</b>	<b>116,047</b>	<b>203,228</b>
LEG - Legal and Ethics Office	2,503	200	2,703
OEK - Office of Knowledge Exchange, Research and Extension	8,411	794	9,205
CIO - Chief Information Officer Division	199	0	199
AG - Agriculture and Consumer Protection Department	5,414	5,999	11,413
ES - Economic and Social Development Department	26,261	11,972	38,233
FI - Fisheries and Aquaculture Department	317	0	317
TC - Technical Cooperation Department	10,021	20,260	30,281
RO - Regional Offices	8,129	2,188	10,317
SO - Subregional Offices	3,389	1,356	4,745
FC - FAO Representations	22,536	73,278	95,814
<b>I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies</b>	<b>9,021</b>	<b>401,675</b>	<b>410,696</b>
OEK - Office of Knowledge Exchange, Research and Extension	83	0	83
CIO - Chief Information Officer Division	21	0	21
AG - Agriculture and Consumer Protection Department	3,067	166	3,233
ES - Economic and Social Development Department	2,155	3,870	6,024
FI - Fisheries and Aquaculture Department	176	1,231	1,408
NR - Natural Resources Management and Environment Department	174	40	214
TC - Technical Cooperation Department	2,818	388,302	391,120
RO - Regional Offices	59	0	59
SO - Subregional Offices	382	0	382
FC - FAO Representations	86	8,066	8,152
<b>K - Gender equity in access to resources, goods, services and decision-making in the rural areas</b>	<b>15,446</b>	<b>9,972</b>	<b>25,418</b>
CIO - Chief Information Officer Division	35	0	35
AG - Agriculture and Consumer Protection Department	108	0	108
ES - Economic and Social Development Department	8,094	264	8,358
TC - Technical Cooperation Department	209	2,000	2,209
RO - Regional Offices	1,510	30	1,540
SO - Subregional Offices	304	40	344
FC - FAO Representations	5,185	7,638	12,823
<b>L - Increased and more effective public and private investment in agriculture and rural development</b>	<b>40,155</b>	<b>81,896</b>	<b>122,051</b>
CIO - Chief Information Officer Division	92	0	92
AG - Agriculture and Consumer Protection Department	1,300	70	1,370
ES - Economic and Social Development Department	510	0	510
NR - Natural Resources Management and Environment Department	90	0	90
TC - Technical Cooperation Department	32,898	74,895	107,793
RO - Regional Offices	439	20	459
SO - Subregional Offices	3,054	3,483	6,536
FC - FAO Representations	1,772	3,429	5,200

<b>Strategic/Functional Objective and Department/Office</b>	<b>Net Appropriation</b>	<b>Extra-budgetary</b>	<b>Total</b>
<b>X - Effective collaboration with member states and stakeholders</b>	<b>229,136</b>	<b>33,687</b>	<b>262,822</b>
ODG - Office of the Director-General	8,286	0	8,286
DDO - Deputy Director-General (Operations)	5,898	0	5,898
DDK - Deputy Director-General (Knowledge)	5,175	0	5,175
OSD - Office of Support to Decentralization	7,996	0	7,996
OED - Office of Evaluation	6,082	3,500	9,582
AUD - Office of the Inspector-General	9,581	405	9,986
LEG - Legal and Ethics Office	6,304	870	7,174
OEK - Office of Knowledge Exchange, Research and Extension	12,636	0	12,636
OCE - Office of Corporate Communications and External Relations	24,378	0	24,378
OSP - Office of Strategy, Planning and Resources Management	7,743	450	8,193
OSS - Security and Contributions to Inter-agency Coordination	2,100	0	2,100
CIO - Chief Information Officer Division	54,534	0	54,534
ES - Economic and Social Development Department	1,686	99	1,785
FI - Fisheries and Aquaculture Department	202	0	202
TC - Technical Cooperation Department	19,350	3,609	22,959
CS - Corporate Services, Human Resources, and Finance Department	27,422	2,468	29,890
LO - Liaison Offices	14,098	756	14,854
RO - Regional Offices	20,116	5,553	25,669
SO - Subregional Offices	11,066	1,394	12,460
AOS - Corporate Income	(15,517)	14,583	(934)
<b>Y - Efficient and effective administration</b>	<b>107,993</b>	<b>47,128</b>	<b>155,120</b>
OSP - Office of Strategy, Planning and Resources Management	1,400	0	1,400
CIO - Chief Information Officer Division	268	0	268
ES - Economic and Social Development Department	2,300	0	2,300
FI - Fisheries and Aquaculture Department	124	0	124
CS - Corporate Services, Human Resources, and Finance Department	112,395	12,921	125,316
LO - Liaison Offices	364	80	444
RO - Regional Offices	12,927	881	13,808
SO - Subregional Offices	10,696	1,829	12,525
AOS - Corporate Income	(32,483)	31,417	(1,066)
<b>Technical Cooperation Programme</b>	<b>111,694</b>	<b>0</b>	<b>111,694</b>
TC - Technical Cooperation Department	1,368	0	1,368
RO - Regional Offices	2,782	0	2,782
SO - Subregional Offices	365	0	365
TP - Technical Cooperation Programme - Projects	107,179	0	107,179



**Annex VII: 2012-13 Budget Proposal by Strategic/Functional Objective and Region (in USD 000 at 2010-11 rates)**

SO/FO	Headquarters/Global		Africa		Asia and Pacific		Europe and Central Asia		Latin America and the Caribbean		Near East		Total		
	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Net Approp	Extra-budgetary	Total
<b>A</b>	38,904	221,405	6,869	19,040	3,562	16,007	1,150	1,135	3,836	4,617	4,129	300	58,450	262,504	320,954
<b>B</b>	21,383	119,406	5,906	1,591	3,365	8,687	1,097	397	3,660	1,003	2,228	130	37,639	131,214	168,853
<b>C</b>	44,880	53,647	11,619	3,883	2,847	18,455	1,149	1,340	3,460	7,016	2,554	1,750	66,509	86,092	152,601
<b>D</b>	20,537	8,495	5,091	4,915	1,737	3,751	487	0	2,476	46	614	369	30,941	17,576	48,517
<b>E</b>	30,000	34,887	7,123	4,996	4,181	7,302	2,033	48	4,765	8,961	1,985	1,060	50,087	57,254	107,342
<b>F</b>	44,279	60,021	8,179	20,013	5,082	15,547	1,946	1,121	5,837	13,233	2,964	2,068	68,286	112,004	180,290
<b>G</b>	31,344	2,224	4,551	19,823	3,920	3,357	1,069	838	3,109	8,014	1,276	456	45,269	34,712	79,981
<b>H</b>	53,127	39,225	14,561	29,293	3,811	19,348	1,585	280	8,324	26,240	5,773	1,661	87,181	116,047	203,228
<b>I</b>	8,494	393,609	197	1,878	235	3,697	0	0	95	1,809	0	681	9,021	401,675	410,696
<b>K</b>	8,446	2,264	4,953	5,250	1,340	652	481	52	226	1,613	0	141	15,446	9,972	25,418
<b>L</b>	34,890	74,965	3,144	3,960	514	706	481	676	814	1,089	311	501	40,155	81,896	122,051
<b>X</b>	191,621	26,040	8,081	768	10,530	1,508	6,985	1,371	5,324	600	6,595	3,399	229,136	33,687	262,822
<b>Y</b>	73,483	42,510	6,826	613	4,867	0	14,123	2,508	5,859	1,396	2,834	101	107,993	47,128	155,120
<b>TCP</b>	20,646	0	36,139	0	21,810	0	9,276	0	16,351	0	7,472	0	111,694	0	111,694
<b>Cont</b>	600	0	0	0	0	0	0	0	0	0	0	0	600	0	600
<b>CapEx</b>	26,046	0	0	0	0	0	0	0	0	0	0	0	26,046	0	26,046
<b>Security</b>	24,686	1,139	0	0	0	0	0	0	0	0	0	0	24,686	1,139	25,825
<b>Total</b>	<b>673,368</b>	<b>1,079,835</b>	<b>123,238</b>	<b>116,024</b>	<b>67,802</b>	<b>99,019</b>	<b>41,861</b>	<b>9,766</b>	<b>64,135</b>	<b>75,636</b>	<b>38,734</b>	<b>12,618</b>	<b>1,009,138</b>	<b>1,392,898</b>	<b>2,402,035</b>



Organizational Unit/Department	PWB 2010-11			Change			PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
AGD - Office of Assistant Director-General	4,897	2,616	7,513	283	(2,616)	(2,333)	5,180	0	5,180
AGA - Animal Production and Health Division	17,793	26,300	44,093	(340)	(16,964)	(17,304)	17,454	9,336	26,789
AGE - Joint FAO/IAEA Division	6,222	0	6,222	(51)	0	(51)	6,171	0	6,171
AGN - Nutrition and Consumer Protection Division	21,910	7,609	29,520	805	4,555	5,359	22,715	12,164	34,879
AGP - Plant Production and Protection Division	30,382	24,262	54,645	317	(22,904)	(22,587)	30,700	1,358	32,058
AGS - Rural Infrastructure and Agro-Industries Division	14,792	1,709	16,501	(286)	(1,009)	(1,295)	14,507	700	15,207
<b>AG - Agriculture and Consumer Protection Department</b>	<b>95,997</b>	<b>62,496</b>	<b>158,493</b>	<b>729</b>	<b>(38,938)</b>	<b>(38,210)</b>	<b>96,726</b>	<b>23,558</b>	<b>120,283</b>
ESD - Office of Assistant Director-General	2,493	0	2,493	2,049	0	2,049	4,542	0	4,542
ESA - Agricultural Development Economics Division	14,740	7,494	22,234	1,381	7,926	9,307	16,121	15,420	31,541
ESS - Statistics Division	15,887	2,775	18,662	(131)	(2,235)	(2,366)	15,756	540	16,296
EST - Trade and Markets Division	22,223	3,609	25,832	(253)	(3,023)	(3,275)	21,971	586	22,557
ESW - Gender, Equity and Rural Employment Division	9,803	4,500	14,303	(101)	(4,102)	(4,203)	9,702	398	10,100
<b>ES - Economic and Social Development Department</b>	<b>65,147</b>	<b>18,377</b>	<b>83,524</b>	<b>2,945</b>	<b>(1,433)</b>	<b>1,512</b>	<b>68,092</b>	<b>16,944</b>	<b>85,036</b>



Organizational Unit/Department	PWB 2010-11		Change		PWB 2012-13	
	Net Appropriation	Extra-budgetary	Net Appropriation	Extra-budgetary	Net Appropriation	Extra-budgetary
TCD - Office of Assistant Director-General	11,321	1,950	(1,703)	(1,050)	9,618	900
TCE - Emergency Operations and Rehabilitation Division	743	670,129	392	110,624	1,135	780,753
TCI - Investment Centre Division	27,373	47,670	(239)	(1,666)	27,134	46,004
TCS - Policy and Programme Development Support Division	27,943	10,561	1,677	20,657	29,620	31,218
<b>TC - Technical Cooperation Department</b>	<b>67,380</b>	<b>730,309</b>	<b>128</b>	<b>128,566</b>	<b>67,508</b>	<b>858,875</b>
CSD - Office of Assistant Director-General	6,033	50	4,155	620	10,187	670
CSF - Finance Division	17,655	1,995	582	706	18,236	2,701
CSH - Human Resources Management Division	31,766	4,549	2,484	(3,295)	34,250	1,254
CSC - Conference, Council, and Protocol Affairs Division	27,351	2,595	32	(128)	27,383	2,468
CSA - Administrative Services Division	38,983	7,850	(109)	(1,462)	38,874	6,388
CSS - Shared Services Centre	11,262	1,260	(376)	648	10,886	1,908
<b>CS - Corporate Services, Human Resources, and Finance Department</b>	<b>133,050</b>	<b>18,299</b>	<b>6,767</b>	<b>(2,911)</b>	<b>139,818</b>	<b>15,389</b>
		<b>151,350</b>		<b>3,857</b>		<b>155,206</b>

Organizational Unit/Department	PWB 2010-11			Change			PWB 2012-13		
	Net Appropriation	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total	Net Appropriation	Extra-budgetary	Total
LOB - Liaison Office with European Union and Belgium	1,196	0	1,196	(295)	700	405	900	700	1,600
LOG - Liaison Office with the United Nations, Geneva	3,323	0	3,323	0	0	0	3,322	0	3,322
LON - Liaison Office with the United Nations, New York	3,462	0	3,462	119	0	119	3,580	0	3,580
LOJ - Liaison Office with Japan, Yokohama	1,439	0	1,439	(1)	0	(1)	1,439	0	1,439
LOW - Liaison Office for North America, Washington, D.C.	4,551	125	4,676	(1)	11	10	4,550	136	4,686
LOR - Liaison Office with the Russian Federation	1,508	0	1,508	0	0	0	1,508	0	1,508
<b>LO - Liaison Offices</b>	<b>15,478</b>	<b>125</b>	<b>15,603</b>	<b>(179)</b>	<b>711</b>	<b>532</b>	<b>15,299</b>	<b>836</b>	<b>16,135</b>
TPI - TCP Projects - Inter-regional and Emergency Facility	19,278	0	19,278	0	0	0	19,278	0	19,278
TPA - TCP Projects - Africa	35,199	0	35,199	0	0	0	35,199	0	35,199
TPP - TCP Projects - Asia and the Pacific	21,119	0	21,119	0	0	0	21,119	0	21,119
TPL - TCP Projects - Latin America and the Caribbean	15,840	0	15,840	0	0	0	15,840	0	15,840
TPN - TCP Projects - Near East and North Africa	6,996	0	6,996	0	0	0	6,996	0	6,996
TPE - TCP Projects - Europe and Central Asia	8,746	0	8,746	0	0	0	8,746	0	8,746
<b>TP - Technical Cooperation Programme - Projects</b>	<b>107,179</b>	<b>0</b>	<b>107,179</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,179</b>	<b>0</b>	<b>107,179</b>







Organizational Unit/Department	PWB 2010-11			Change			PWB 2012-13		
	Net Appropriation	Extra- budgetary	Total	Net Appropriation	Extra- budgetary	Total	Net Appropriation	Extra- budgetary	Total
RNE - Regional Office for the Near East and North Africa (Cairo)	12,287	25,014	37,301	432	(22,741)	(22,309)	12,719	2,273	14,992
SNO - Multidisciplinary Team for Oriental Near East	4,069	0	4,069	(128)	0	(128)	3,941	0	3,941
SNE - Subregional Office for North Africa	6,357	189	6,546	(13)	(22)	(35)	6,344	167	6,511
SNG - Subregional Office for the Gulf Countries	0	4,193	4,193	0	(193)	(193)	0	4,000	4,000
FNE - FAORs in the Near East	7,933	3,585	11,518	801	2,593	3,394	8,734	6,178	14,912
<b>Near East</b>	<b>30,646</b>	<b>32,980</b>	<b>63,626</b>	<b>1,092</b>	<b>(20,363)</b>	<b>(19,271)</b>	<b>31,738</b>	<b>12,618</b>	<b>44,356</b>
<b>AOS - Corporate Income</b>	<b>(44,922)</b>	<b>0</b>	<b>(44,922)</b>	<b>(3,078)</b>	<b>46,000</b>	<b>42,922</b>	<b>(48,000)</b>	<b>46,000</b>	<b>(2,000)</b>
<b>Contingencies</b>	<b>600</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>600</b>
<b>Capital Expenditure</b>	<b>26,803</b>	<b>0</b>	<b>26,803</b>	<b>(757)</b>	<b>0</b>	<b>(757)</b>	<b>26,046</b>	<b>0</b>	<b>26,046</b>
<b>Security Expenditure</b>	<b>24,686</b>	<b>789</b>	<b>25,475</b>	<b>0</b>	<b>350</b>	<b>350</b>	<b>24,686</b>	<b>1,139</b>	<b>25,825</b>
<b>Total</b>	<b>1,000,526</b>	<b>1,245,856</b>	<b>2,246,382</b>	<b>8,612</b>	<b>147,042</b>	<b>155,654</b>	<b>1,009,138</b>	<b>1,392,898</b>	<b>2,402,035</b>

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## ANNEX IX: CORE VOLUNTARY CONTRIBUTIONS

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348. As introduced in paragraph 60, *Core Voluntary Contributions* are the estimated extrabudgetary resource requirements planned in the Programme of Work under the results frameworks and managed closely with the Net Appropriation. They include:

- Trust Fund projects that support core activities at global and regional levels (categorised in PWBs prior to 2010-11 as “Direct Support to the Regular Programme”), and
- non-project contributions from partners (e.g. World Bank Cooperative Programme, WHO contribution to Codex).

349. This Annex provides additional information on the resources included under Core Trust Fund Projects and Core Non-project Contributions.

### *Core Trust Fund projects*

350. Core trust fund projects were previously categorised as “Direct Support to the Regular Programme”. They provide direct support to work planned under the results frameworks for: (i) development of methodologies and guidelines; (ii) global initiatives and partnerships, (iii) information collection, analysis and dissemination; (iv) Committees, Commissions, and Supervisory Bodies; and (v) other core activities.

351. The table below provides the breakdown of resource estimates in the PWB 2012-13 for core trust fund projects.

Description	2012-13 Estimates (USD ‘000)
Development of methodologies and guidelines	17,733
Global initiatives and partnerships	95,437
Information collection, analysis and dissemination	36,964
Committees, Commissions and Supervisory Bodies	25,815
Other core activities	8,865
<b>Total</b>	<b>184,814</b>

352. Examples of the main core trust fund projects expected to be active in 2012-13, showing the estimated extra-budgetary contribution and the Strategic/Functional Objectives supported, are provided below.

### *Development of methodologies and guidelines*

- Support to the Development and Piloting of an Open Source Cadastre and Registration (OSCAR) Shell: USD 1.5 million (SO F)
- FAO/WHO Global Initiative for Food-related Scientific Advice Facility (GIFSA): USD 1.0 million (SO D)
- Conservation and Adaptive Management of Globally Important Agricultural Heritage Systems (GIAHS): USD 1.7 million (SO F)
- Global Groundwater: A Framework for Country Action (FSP): USD 1.1 million (SO F)
- Promotion of Responsible Fisheries Management: USD 0.65 million (SO C)
- Support for formulating FAO Voluntary Guidelines for responsible governance of tenure of land and other natural resources: USD 1.0 million (SO F)

*Global initiatives and partnerships*

- EU/FAO Programme: Improved global governance for hunger reduction: USD 9.64 million (SOs H, I)
- International Conference on Nutrition - Twenty Years Later: USD 2.2 million (SO H)
- FAO Multi-Partner Programme Support Mechanism (FMM) - Voluntary contributions` support to Strategic Objective F: "Countries have strengthened capacities to address emerging environmental challenges, such as climate change and bioenergy": USD 7.0 million (SOs C, F, I)
- Support for decentralized hub of Mountains Partnerships Secretariat and other mountain related activities in other institutions: USD 1.0 million (SO E)
- Intra-African Training and Dissemination of Technical know-how for Sustainable Agriculture and Rural Development with Africa-ASEAN Country Cooperation within the Framework of South-South Cooperation: USD 1.7 million (SO L)
- Forest Law Enforcement, Governance and Trade Support Programme for ACP Countries (FLEGT-ACP): USD 5.0 million (SO E)
- Bioenergy, Food Security, Environment and Rural Development Project: USD 2.0 million (SO F)
- Strengthening Forest Resources Management and Enhancing its Contribution to Sustainable Development, Land use and Livelihoods: USD 12.0 million (SO E)
- Improving food safety decision-making processes at global regional and national levels in support of food security objectives: USD 1.0 million (SO D)

*Information collection, analysis and dissemination*

- Improved safety and quality of food produced and marketed by small-scale value chain operators and improved market linkages: USD 2.0 million (SO D)
- Strengthening the Knowledge Base for and Implementing an Ecosystem Approach to Marine Fisheries in Developing Countries: USD 4.0 million (SO C)
- Apoyo a la acción multilateral de FAO en material de recursos genéticos: ejecución del Programa Plurianual de la Comisión de Recursos Genéticos para la Alimentación y la Agricultura: USD 1.8 million (SO F)
- Improving the abilities of Regional Organizations to develop, implement and monitor food security training programmes: USD 0.5 million (SO H)
- Assisting Countries in Reporting to the UNFF on Progress in the Implementation of the Forest Instrument: USD 0.8million (SO E)

*Committees, Commissions and Supervisory Bodies*

- International Treaty on Plant Genetic Resources for Food and Agriculture: USD 0.6 million (SO A)
- Global Forum on Agricultural Research Secretariat - Core Activities (ex NARS): USD 7.5 million (SO F)
- Foot-and-Mouth Disease: USD 5.2 million (SO B)
- Indian Ocean Tuna Commission: USD 5.0 million (SO C)
- Support to the General Fisheries Commission for the Mediterranean (GFCM): USD 3.2 million (SO C)

*Other Direct Support to Regular Programme of Work*

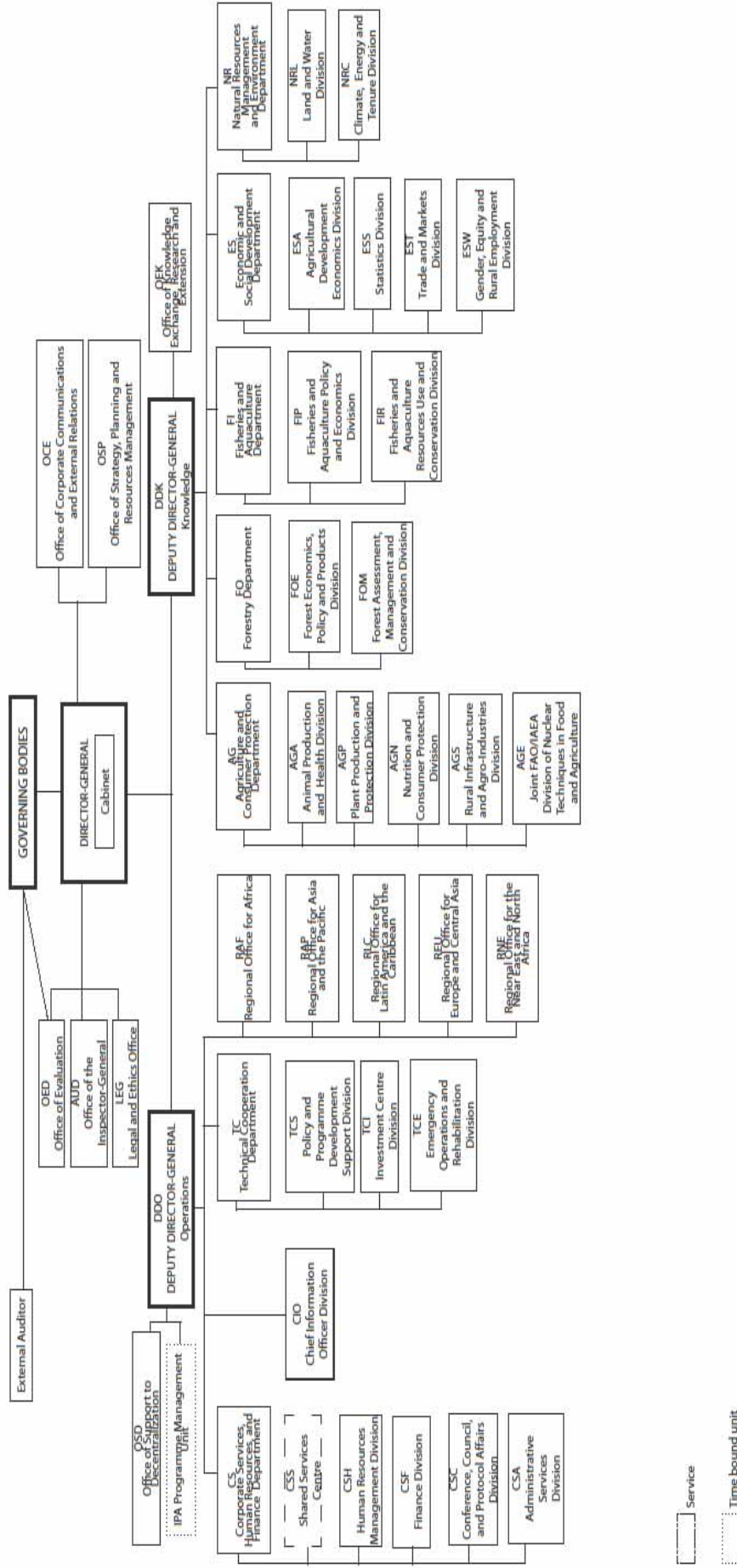
- Reinforced capacity for planning and implementation of investment projects: USD 3.0 million (SO L)
- Formulation Missions and Programme Officer for projects to be financed by Spain under FAO/GCP modality: USD 1.2 million (SO X)

*Core non-project contributions*

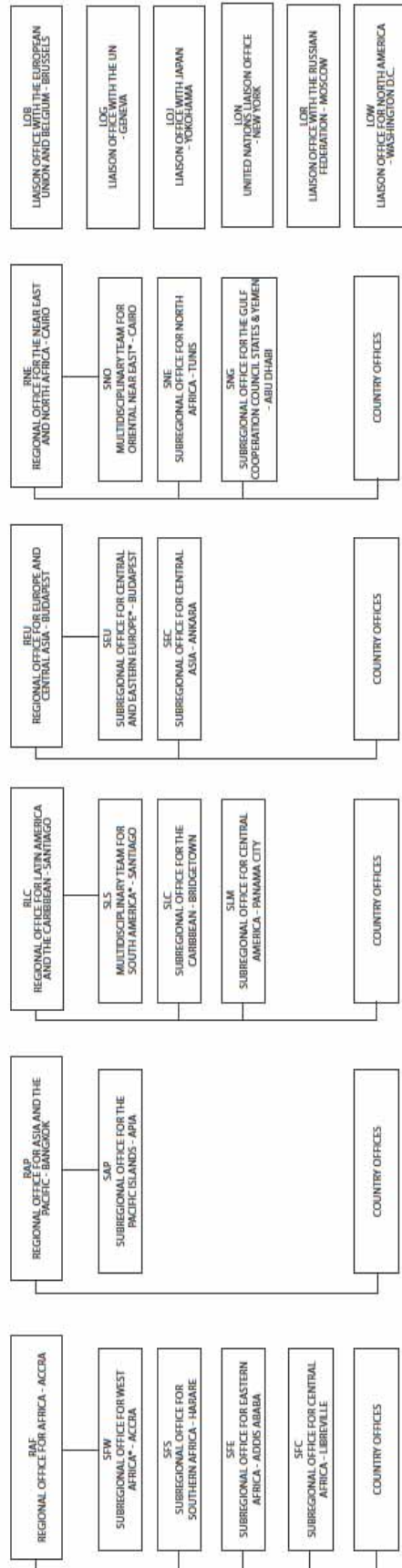
353. Core non-project contributions are extra-budgetary resources received from UN and other partners directly supporting the Programme of Work. These include contributions from the World Bank for the Cooperative Programme with the FAO Investment Centre, from the World Health Organization for Codex, and from host Governments for offices established in their countries. A breakdown of planned core non-project contributions and the main Strategic/Functional Objectives supported is provided in the table below.

Description	2012-13 Estimates (USD 000)	Main SO/FO supported
World Bank	26,808	L
Other International Financing Institutions	11,830	L
Other Jointly Funded Activities (CODEX)	1,625	D
Government Cash Contributions	4,593	Y
Sundry	6,604	X, Y
Investment Earnings	907	Y
<b>Total</b>	<b>52,367</b>	

ANNEX X - HQ ORGANIGRAMME



ANNEX X - (Cont.) - DECENTRALIZED ORGANIGRAMME



\* Co-located in Regional Office



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**Annex XI: Post Counts by Grade Group and Organizational Unit**


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Organizational Unit	PWB2012-13				Total
	D	P	N	G	
ODG - Office of the Director-General	3	8	-	12	23
OED - Office of Evaluation	1	8	-	3	12
AUD - Office of the Inspector-General	2	14	-	6	22
LEG - Legal and Ethics Office	2	13	-	10	25
OCE - Office of Corporate Communications and External Relations	2	30	-	25	57
OSP - Office of Strategy, Planning and Resources Management	2	12	-	5	19
DDK - Deputy Director-General (Knowledge)	1	2	-	2	5
OEK - Office of Knowledge Exchange, Research and Extension	1	60	-	35	96
DDO - Deputy Director-General (Operations)	1	2	-	2	5
OSD - Office of Support to Decentralization	2	7	-	10	19
CIO - Chief Information Officer Division	2	66	12	41	121
<b>Total</b>	<b>19</b>	<b>222</b>	<b>12</b>	<b>150</b>	<b>403</b>
AGD - Office of Assistant Director-General	1	3	-	9	13
AGA - Animal Production and Health Division	2	28	-	15	45
AGE - Joint FAO/IAEA Division	1	8	-	-	9
AGN - Nutrition and Consumer Protection Division	3	28	-	18	49
AGP - Plant Production and Protection Division	3	40	-	31	74
AGS - Rural Infrastructure and Agro-Industries Division	1	25	-	10	36
<b>Total Agriculture and Consumer Protection Department (AG)</b>	<b>11</b>	<b>132</b>	<b>-</b>	<b>83</b>	<b>226</b>
ESD - Office of Assistant Director-General	1	1	-	4	6
ESA - Agricultural Development Economics Division	2	23	-	12	37
ESS - Statistics Division	2	25	-	26	53
EST - Trade and Markets Division	2	35	-	27	64
ESW - Gender, Equity and Rural Employment Division	2	15	-	7	24
<b>Total Economic and Social Development Department (ES)</b>	<b>9</b>	<b>99</b>	<b>-</b>	<b>76</b>	<b>184</b>
FID - Office of Assistant Director-General	1	1	-	5	7
FIP - Fisheries and Aquaculture Policy and Economic Division	3	34	-	30	67
FIR - Fisheries and Aquaculture Resources Use and Conservation Division	2	34	-	20	56
<b>Total Fisheries and Aquaculture Department (FI)</b>	<b>6</b>	<b>69</b>	<b>-</b>	<b>54</b>	<b>129</b>
FOD - Office of Assistant Director-General	1	9	-	8	18
FOE - Forest Economics, Policy and Products Division	2	17	-	9	28
FOM - Forest Assessment, Management and Conservation Division	2	18	-	8	28
<b>Total Forestry Department (FO)</b>	<b>5</b>	<b>44</b>	<b>-</b>	<b>25</b>	<b>74</b>
NRD - Office of Assistant Director-General	2	6	-	10	18
NRC - Climate, Energy and Tenure Division	2	17	-	10	29
NRL - Land and Water Division	2	19	-	10	31
<b>Total Natural Resources Management and Environment Department (NR)</b>	<b>6</b>	<b>42</b>	<b>-</b>	<b>30</b>	<b>78</b>



Organizational Unit	PWB2012-13				Total
	D	P	N	G	
TCD - Office of Assistant Director-General	2	9	-	15	26
TCE - Emergency Operations and Rehabilitation Division	1	2	-	-	3
TCI - Investment Centre Division	5	62	-	32	99
TCS - Policy and Programme Development Support Division	4	42	-	28	74
<b>Total Technical Cooperation Department (TC)</b>	<b>12</b>	<b>115</b>	<b>-</b>	<b>75</b>	<b>202</b>
CSD - Office of Assistant Director-General	3	21	-	78	102
CSF - Finance Division	2	29	-	26	57
CSH - Human Resources Management Division	2	34	-	37	73
CSC - Conference, Council, and Protocol Affairs Division	2	45	-	75	122
CSA - Administrative Services Division	2	19	-	68	89
CSS - Shared Services Centre	1	11	1	106	119
<b>Total Corporate Services, Human Resources, and Finance Department (CS)</b>	<b>12</b>	<b>159</b>	<b>1</b>	<b>390</b>	<b>562</b>
<b>FAO Representations</b>	<b>32</b>	<b>41</b>	<b>150</b>	<b>493</b>	<b>716</b>
LOB - Liaison Office with European Union and Belgium	1	-	-	1	2
LOG - Liaison Office with the United Nations, Geneva	1	4	-	4	9
LON - Liaison Office with the United Nations, New York	1	3	-	5	9
LOJ - Liaison Office with Japan, Yokohama	1	1	-	1	3
LOW - Liaison Office for North America, Washington, D.C.	1	3	-	11	15
LOR - Liaison Office with the Russian Federation	1	1	-	1	3
<b>Liaison Offices Total</b>	<b>6</b>	<b>12</b>	<b>-</b>	<b>23</b>	<b>41</b>
RAF - Regional Office for Africa (Accra)	1	23	-	39	63
SFC - Subregional Office for Central Africa	1	7	2	5	15
SFE - Subregional Office for Eastern Africa	1	8	2	6	17
SFS - Subregional Office for Southern Africa	1	9	2	10	22
SFW - Subregional Office for West Africa	1	7	1	5	14
<b>Africa Region Total</b>	<b>5</b>	<b>54</b>	<b>7</b>	<b>65</b>	<b>131</b>
RAP - Regional Office for Asia and the Pacific (Bangkok)	2	40	-	64	106
SAP - Subregional Office for the Pacific Islands	1	6	-	7	14
<b>Asia and the Pacific Total</b>	<b>3</b>	<b>46</b>	<b>-</b>	<b>71</b>	<b>120</b>
REU - Regional Office for Europe and Central Asia (Budapest)	1	11	1	16	29
SEC - Subregional Office for Central Asia	1	7	2	8	18
SEU - Subregional Office for Central and Eastern Europe	1	7	1	5	14
<b>Europe and Central Asia Total</b>	<b>3</b>	<b>25</b>	<b>4</b>	<b>29</b>	<b>61</b>
RLC - Regional Office for Latin America and the Caribbean (Santiago)	1	21	2	35	59
SLC - Subregional Office for the Caribbean	1	6	2	10	19
SLM - Subregional Office for Central America	1	7	2	5	15
SLS - Multidisciplinary Team for South America	1	8	1	2	12
<b>Latin America and the Caribbean Region Total</b>	<b>4</b>	<b>42</b>	<b>7</b>	<b>52</b>	<b>105</b>
RNE - Regional Office for the Near East and North Africa (Cairo)	1	18	2	30	51
SNO - Multidisciplinary Team for Oriental Near East	1	5	1	3	10
SNE - Subregional Office for North Africa	1	9	2	12	24
<b>Near East and North Africa Region Total</b>	<b>3</b>	<b>32</b>	<b>5</b>	<b>45</b>	<b>85</b>
<b>Grand Total</b>	<b>136</b>	<b>1,134</b>	<b>186</b>	<b>1,661</b>	<b>3,117</b>

Organizational Unit	PWB2012-13				Total
	D	P	N	G	

Notes:

D = Director and above, P = Professional, N = National Professional Officer, G = General Service.

Structure and functions of several departments and offices are subject to further adjustments.

Compared to *Table 13*, which shows the evolution of posts by location and grade category, the above table provides post category counts by Organizational Unit. Consequently:

- The 36 staff outposted in the PWB 2012-13 (4 technical officers, 4 auditors, 21 Programmers/IT posts under CIO Planning authority, 3 information officers, and 4 procurement officers) are included in their HQ department totals; and
- Shared Services Centre posts in Budapest Hub are included in headquarters counts under CS while the remaining SSC posts in Santiago and Bangkok are shown in their decentralized offices.

Subregional Office for the Gulf Cooperation Council States and Yemen (SNG) posts are funded by Trust Funds and therefore not shown in the post counts above.

**Annex XII: Net Appropriation by Organizational Result before and after Cost Increases**

SO/FO and Org Result	Net Appropriation before cost increases	Cost Increases	Net Appropriation after cost increases
A01	19,169	678	19,847
A02	19,537	1,095	20,632
A03	9,913	631	10,544
A04	9,831	274	10,105
<b>A</b>	<b>58,450</b>	<b>2,678</b>	<b>61,128</b>
B01	10,288	641	10,929
B02	13,514	608	14,122
B03	8,052	514	8,566
B04	5,785	357	6,142
<b>B</b>	<b>37,639</b>	<b>2,120</b>	<b>39,759</b>
C01	22,297	838	23,135
C02	14,075	1,299	15,374
C03	7,635	184	7,819
C04	12,262	620	12,882
C05	4,574	33	4,607
C06	5,665	60	5,726
<b>C</b>	<b>66,509</b>	<b>3,034</b>	<b>69,543</b>
D01	13,530	305	13,835
D02	3,833	306	4,139
D03	7,498	570	8,069
D04	6,079	492	6,571
<b>D</b>	<b>30,941</b>	<b>1,673</b>	<b>32,614</b>
E01	8,940	162	9,102
E02	10,183	1,037	11,220
E03	6,289	382	6,671
E04	8,473	548	9,022
E05	7,500	50	7,550
E06	8,702	436	9,138
<b>E</b>	<b>50,087</b>	<b>2,615</b>	<b>52,702</b>
F01	12,399	598	12,996
F02	13,927	907	14,834
F03	3,531	60	3,591
F04	4,930	104	5,034
F05	19,370	1,191	20,561
F06	14,131	613	14,744
<b>F</b>	<b>68,286</b>	<b>3,473</b>	<b>71,759</b>
G01	14,326	1,033	15,359
G02	2,725	189	2,914
G03	8,331	432	8,763
G04	19,886	538	20,424
<b>G</b>	<b>45,269</b>	<b>2,191</b>	<b>47,460</b>

SO/FO and Org Result	Net Appropriation before cost increases	Cost Increases	Net Appropriation after cost increases
H01	23,419	1,576	24,994
H02	4,941	57	4,998
H03	6,147	215	6,362
H04	19,584	1,376	20,960
H05	33,090	1,766	34,855
<b>H</b>	<b>87,181</b>	<b>4,989</b>	<b>92,170</b>
I01	4,751	56	4,807
I02	1,924	37	1,961
I03	2,346	10	2,356
<b>I</b>	<b>9,021</b>	<b>103</b>	<b>9,124</b>
K01	822	40	862
K02	2,439	266	2,705
K03	4,728	413	5,142
K04	7,456	354	7,810
<b>K</b>	<b>15,446</b>	<b>1,073</b>	<b>16,519</b>
L01	12,708	462	13,170
L02	12,178	147	12,325
L03	15,269	179	15,448
<b>L</b>	<b>40,155</b>	<b>788</b>	<b>40,943</b>
X01	42,478	2,209	44,687
X02	77,868	1,733	79,601
X03	39,690	2,770	42,460
X04	69,100	1,986	71,086
<b>X</b>	<b>229,136</b>	<b>8,699</b>	<b>237,835</b>
Y01	65,069	5,875	70,944
Y02	8,904	1,015	9,919
Y03	34,019	730	34,749
<b>Y</b>	<b>107,993</b>	<b>7,619</b>	<b>115,612</b>
T01	4,515	287	4,802
T02	107,179	4,958	112,137
<b>TCP</b>	<b>111,694</b>	<b>5,245</b>	<b>116,939</b>
O01	600	0	600
<b>Cont</b>	<b>600</b>	<b>0</b>	<b>600</b>
P01	1,688	48	1,736
P02	1,000	32	1,032
P03	5,150	153	5,303
P05	23,908	654	24,562
P06	1,000	29	1,029
P08	(6,700)	0	(6,700)
<b>CapEx</b>	<b>26,046</b>	<b>915</b>	<b>26,961</b>
Q01	13,252	430	13,682
Q02	14,333	350	14,684
Q03	(2,900)	0	(2,900)
<b>Security</b>	<b>24,686</b>	<b>780</b>	<b>25,466</b>
<b>Total</b>	<b>1,009,138</b>	<b>47,997</b>	<b>1,057,134</b>

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### List of Acronyms

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ACPAQ	Advisory Committee on Post Adjustment Questions
AFSI	L'Aquila Food Security Initiative
AnGR	Animal genetic resources
AOS	Administrative and operational support
APRC	Regional Conference for Asia and the Pacific
ASMC	After-service Medical Coverage
BEFS	Bioenergy and Food Security Project
BEFSCI	Bioenergy and Food Security Criteria and Indicators
CAADP	Comprehensive Africa Agriculture Development Programme
CBD	Convention on Biological Diversity
CCP	Committee on Commodity Problems
CCRF	Code of Conduct for Responsible Fisheries
CFS	Committee on World Food Security
CGIAR	Consultative Group on International Agricultural Research
CIARDA	Coherence in Information for Agricultural Research for Development Initiative
CMC	Crisis Management Centre
CMC-FC	Crisis Management Centre along the Food Chain
COAG	Committee on Agriculture
CoC-IEE	Conference Committee on Follow-up to the Independent External Evaluation of FAO
COFI	Committee on Fisheries
COFO	Committee on Forestry
CPF	Collaborative Partnership on Forests
CPF	Country Programming Frameworks
CPI	Consumer Price Index
CPM	Commission on Phytosanitary Measures
CPT	Common Procurement Team
CSD	Commission on Sustainable Development (UN)
DAD-IS	Domestic Animal Diversity Information System
DO	Decentralized office
DRM	Disaster risk management
EAF	Ecosystem approach to fisheries
ECTAD	Emergency Centre for Transboundary Animal Disease Operations
EIU	Economist Intelligence Unit
ELT	Executive Leadership Team
EMPRES	Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases
ERM	Enterprise Risk Management
ERP	Enterprise resource planning system (Oracle)
FAOR	FAO Representation
FAOSTAT	Corporate Database for Substantive Statistical Data
FBS	Food balance sheet
FMD	Foot-and-mouth disease
FMM	FAO Multipartner Programme Support Mechanism
FRA	Global Forest Resources Assessment
FSARD	Food and sustainable agricultural and rural development
GAFSP	AFSI-financed Global Agriculture and Food Security Programme
GEF	Global Environment Facility
GFAR	Global Forum on Agricultural Research
GFDRR	Global Facility for Disaster Reduction and Recovery
GIEWS	Global Information and Early Warning System on Food and Agriculture
GLEWS	Global Early Warning System for Transboundary Animal Diseases
GPA	Global Plan of Action
HLPE	High-level Panel of Experts
HRBP	Human Resource Business Partners
ICCARD	International Conference on Agrarian Reform and Rural Development
ICSC	International Civil Service Commission
ICT	Information and communication technology

IDWG	Interdepartmental Working Group
IEE	Independent External Evaluation of FAO
IFA	Impact Focus Areas
IFI	International financing institution
IGO	Intergovernmental Organization
ILO	International Labour Organization
IPA	Immediate Plan of Action for FAO's Renewal
IPB	IPA Programme Management Board
IPCC	Intergovernmental Panel on Climate Change
IPFSAPH	International Portal on Food Safety, Animal and Plant Health
IPM	Integrated pest management
IPPC	International Plant Protection Convention
IPPM	Integrated production and pest management
IPSAS	International Public Sector Accounting Standards
ISFNS	Information Systems on Food and Nutrition Security
ISPM	International Standards for Phytosanitary Measures
IT	Information technology
IT	International Treaty
IUU	Illegal, unreported and unregulated (fishing)
JEMNU	Joint FAO/WHO Expert Meetings on Nutrition
JMPR	Joint FAO/WHO Meeting on Pesticide Residues
KCE	Knowledge Exchange and Capacity Building Division
LDC	Least developed country
MASSCOTE	Mapping systems and services for canal operation techniques
MDF	Multidisciplinary Fund
MDG	Millennium Development Goal
MICCA	Mitigation of Climate Change in Agriculture
MTP	Medium Term Plan
MTR	Mid-Term Review
MYPOW	Multi-year Programme of Work
NARS	National Agricultural Research Systems
NERC	Regional Conference for the Near East
NGO	Non-governmental organization
NISM	National Information Sharing Mechanisms
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PEMS	Performance Evaluation Management System
PES	Payments for Environmental Services
PGRFA	Plant Genetic Resources for Food and Agriculture
PMU	Programme Management Unit
PPP	Public Private Partnerships
PPR	Peste des petits ruminants
PRSP	Poverty Reduction Strategy Paper
PSC	Project servicing costs
RBM	Results-based management
REDD	Reducing Emissions from Deforestation and Forest Degradation
REIO	Regional Economic Integration Organization
RFB	Regional fishery body
RIGA	Rural Income Generating Activities
RMMS	Resource Mobilization and Management Strategy
RPSU	Regional Office Programme Support Unit
RSN	Regional Fishery Bodies Secretariats' Network
SFERA	Special Fund for Emergency and Rehabilitation Activities
SLA	Service Level Agreement
SME	Small and medium-sized enterprise
SOFA	The State of Food and Agriculture
SOFIA	The State of World Fisheries and Aquaculture
SOLOW	State of the World Land and Water Resources
SPADA	Special Programme for Aquaculture Development in Africa
SPS	Sanitary and phytosanitary measures
SRA	Special reserve account
SSC	Shared Services Centre

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SSC	South-South Cooperation
SUA	Supply utilization account
SWAp	Sector-wide approach
TBT	Technical barriers to trade
TPF	Terminal Payments Fund
UNCCD	United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIFEM	United Nations Development Fund for Women
UNISDR	International Strategy for Disaster Reduction (UN)
WCF	Working Capital Fund
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization





