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Organisation  
des  
Nations  
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pour  
l'alimentation  
et  
l'agriculture

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## COUNCIL

### Report of the Joint Meeting of the Ninety-sixth Session of the Programme Committee and the Hundred and Fifteenth Session of the Finance Committee

Rome, 27 September 2006

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## Matters requiring attention by the Council

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### *Matters requiring discussion and/or decision*

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## REPORT OF THE JOINT MEETING OF THE PROGRAMME AND FINANCE COMMITTEES

Rome, 27 September 2006

### Introduction

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

#### **Programme Committee**

##### Chairperson

Mr V. Heard (United Kingdom)

##### Members

Mr A.R. Ayazi (Afghanistan)

Ms J. Barfield (Australia)

Mr J. Melanson (Canada)

H.E. M. Arvelo Caamaño (Dominican Republic)

Mr R. Parasuram (India)

Ms Z. Budhan (Jamaica)

Mr S.A Essa (Libyan Arab Jamahiriya)

Mr R. Recide (Philippines)

Mr G.G. Lombin (Nigeria)

Ms V.B. Titi (South Africa)

#### **Finance Committee**

##### Chairperson

Mr A. Ashraf Khawaja (Pakistan)

##### Members

Mr S. Skafte (Denmark)

Mr E.W. Hein (Germany)

Mr A. Zodda (Italy)

Mr S. Yokoi (Japan)

Ms A.M. Baiardi Quesnel (Paraguay)

Mr R. Seminario Portocarrero (Peru)

Mr L. Brudvig (USA)

H.E. M. Muchada (Zimbabwe)

### **Item 1: Adoption of the Agenda<sup>1</sup>**

3. The Agenda for the Joint Meeting was approved.

### **Item 2: Implementation of Conference Decisions and Proposals from the Director-General<sup>2</sup>**

4. The Committees received oral reports from their Chairpersons about each Committee's deliberations on document CL 131/18.
5. The Committees were informed of the difficult liquidity position of the Organization due to arrears and delays in payments of assessed contributions, and called on all Members to meet their obligations in a timely manner. They recalled that the Director-General in his opening address to the Joint Meeting had called upon all Members to make their contributions on time regardless of size. The Committees observed the deep structural problem of recurrent largely unforeseen and unbudgeted costs.
6. The Committees also noted the challenges posed by budget cuts in real terms over the last two biennia stemming from decisions of the governing bodies on the Programme of Work and Budget (PWB), and the significant reductions in staff which had occurred over a long period.

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<sup>1</sup> JM 06.2/1

<sup>2</sup> CL 131/18

7. The Committees appreciated that their advice on selected aspects, when they considered the Revised PWB 2006-07<sup>3</sup> at their May session, had been translated into higher allocations to such high priority areas as the IPPC and the International Treaty on Plant Genetic Resources, as well as more adequate funding for internal financial controls.
8. The Committees noted the approved changes in headquarters structures that had been effected from 1 January 2006 and recalled the Conference decision regarding strengthened decentralization. They were pleased to note that good progress was being made in implementation of the new decentralized offices in Africa and Central Asia.
9. The Committees called for due flexibility in the application of the new operating model for decentralized offices, including in the composition of the multidisciplinary teams to match the needs.
10. The Committees discussed the proposals related to the implementation of the Conference decision regarding the establishment of the Shared Services Centre (SSC), with three “hubs” placed in Budapest, Bangkok and Santiago de Chile supervised from a centre in Rome. The Committees noted the Secretariat’s calculation that the implementation of the SSC would yield savings of US\$ 8 million per biennium. Some Members expressed differing views, particularly regarding the proposed location of the hub in Budapest. They looked forward to receiving supplementary information regarding the proposed configuration and the alternative locations considered, including in Africa, ahead of the session of the next Council.
11. The Committees discussed the Director-General’s further proposals for reforms as outlined in doc. CL 131/18. They commended the proposal to establish a Crisis Management Centre to address transboundary animal diseases and plant diseases. A few Members spoke about the move of the European Regional Office to Budapest. One Member was against it. There were also diverging opinions regarding the implementation of the proposed subregional offices for Central America and the Gulf countries.
12. Some Members supported the headquarters reforms and further decentralization proposals submitted by the Director-General that sought to reflect the views of the various Regional Conferences. They saw this as a natural consequence of the reform already approved by the Conference so that it could extend to other regions without having to await the outcome of the Independent External Evaluation (IEE).
13. Concerns were, however, expressed on the current reform proposals not adequately addressing the needs of the Asia region in general, and South-Asia in particular, and on an overall reduction in international professional staff in the Bangkok Regional Office. Members from the region emphasised the need for the Director-General to engage them in further consultations.
14. Other Members expressed reservations on the content and timing of the proposed changes, preferring to await the outcome of the IEE of FAO and proposals for broader UN system reforms expected later in 2006. They emphasised the desirability of assessing the effective costs and benefits from the implementation of the first phase of reforms already approved by the Conference regarding decentralized offices, before embarking on further changes.
15. The Committees reiterated the importance of exploring further joint action to achieve efficiencies and effectiveness by the three Rome-based UN system organizations, recognising that this would call for consistent messages from Members in the respective governing bodies.
16. In the light of the above, the Committees encouraged further dialogue among Members, facilitated by information provided by the Secretariat, ahead of the discussion and decisions of the Council at its next session.

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<sup>3</sup> PC 95/3 – FC 113/14

### **Item 3: Funding the General Service Salary Survey Result in 2006-07<sup>4</sup>**

17. The Committee reviewed the paper and discussed the options presented by the Secretariat for the funding of the General Service Salary increase recommended by the International Civil Service Commission (ICSC).

18. The Committees unanimously agreed that the contributions of the Russian Federation to the 2006-07 Programme of Work be exceptionally treated as Miscellaneous Income and used to partially fund the unforeseen and unbudgeted General Service salary increase. Apart from two Members who were opposed, the Committees recommended that the remaining US\$ 6.5 million of the cost be charged to the Special Reserve Account and noted that the Finance Committee would separately consider the need for submission of proposals to the Council on replenishment of the Special Reserve Account in order to secure the necessary funding for the charge.

### **Item 5. Any Other Business**

19. The Committees requested that the Secretariat present a paper to the May 2007 Joint Meeting exploring the extent to which closer collaboration on “back-office” administrative and processing work between the Rome-based agencies (FAO, WFP and IFAD) could lead to overall savings efficiencies in this area. It was acknowledged that this was a medium-term goal but that dialogue between the agencies should commence as soon as possible. To facilitate this, Members agreed to raise this matter in the other Rome-based agencies, as appropriate and the Secretariat would consult the Secretariats of the other agencies.

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<sup>4</sup> JM 06.2/3