

The Director-General's

Medium Term Plan 2010-13

and

Programme of Work and Budget 2010-11



C 2009/15

August 2009

Thirty-Sixth Session

of the Conference

18-23 November 2009

The Director-General's

Medium Term Plan 2010-13

and

**Programme of Work and Budget
2010-11**

Food and Agriculture
Organization of the
United Nations

Rome 2009

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

All rights reserved. Reproduction and dissemination of material in this information product for educational or other non-commercial purposes are authorized without any prior written permission from the copyright holders provided the source is fully acknowledged. Reproduction of material in this information product for resale or other commercial purposes is prohibited without written permission of the copyright holders. Applications for such permission should be addressed to:

Chief

Electronic Publishing Policy and Support Branch
Information Division

FAO

Viale delle Terme di Caracalla, 00153 Rome, Italy
or by e-mail to:

copyright@fao.org

Table of Contents

Director-General's Foreword	1
Executive Summary	3
<i>Guide to the Combined Medium Term Plan / Programme of Work and Budget Document</i>	5
Medium Term Plan 2010-13	7
A. Overall context	8
B. The Results-based Approach in the Organization	10
C. Formulation of Results-based Frameworks	13
D. Core Functions	16
E. Resource Mobilization	21
Programme of Work and Budget 2010-11	25
I. Main Features of the Programme of Work and Budget	26
A. Integrated Presentation of Resources	26
B. Areas of Programmatic Emphasis	30
II. Impact of Reforms in the Organization	35
A. Implementation of the Immediate Plan of Action (Including the Agreed Recommendations in the Root and Branch Review)	35
B. New Headquarters Structure	37
C. Post Changes	41
D. Technical Cooperation Programme (TCP)	42
E. Decentralized Offices Network	43
F. Language Services	45
G. Savings and Efficiency Gains	45
III. Other Key Financial and Budgetary Dimensions	48
A. Incremental Budgetary Requirements to Execute the Programme of Work	48
(1) <i>Anticipated Cost Increases</i>	48
(2) <i>Immediate Plan of Action and Security Expenditure</i>	52
B. Elements for Improving FAO's Financial Health, Liquidity and Reserves	55
C. Summary Requirements	61
D. Chapter Structure	65
E. Draft Resolutions for Adoption by the Conference	68
<i>Draft Budgetary Appropriations 2010-11</i>	68
<i>Level of the Working Capital Fund</i>	70
<i>Replenishment of the Special Reserve Account</i>	71
IV. Results Frameworks and 2010-11 Resource Allocations	72
<i>Strategic Objectives A – L</i>	73-139
<i>Functional Objectives X and Y</i>	140-149
<i>FAOR Programme</i>	150
<i>Technical Cooperation Programme</i>	151
<i>Contingencies</i>	152
<i>Capital Expenditure</i>	153
<i>Security Expenditure</i>	156
<i>Transfer to Tax Equalization Fund</i>	157
Annexes:	
I. Regional Dimensions	158
II. 2010-11 Budget Proposal by SO/FO and Funding Source	165
III. 2010-11 Budget Proposal by SO/FO and Organizational Result	167
IV. 2010-11 Budget Proposal by SO/FO and Department/Office	174
V. 2010-11 Budget Proposal by SO/FO and Region	178
VI. 2010-11 Budget Proposal by Organizational Unit	179
VII. 2008-09 Net Appropriation by Organizational Unit	183
VIII. Core Voluntary Contributions	186
IX. Headquarters and Decentralized Offices Organigramme	189
X. Post Counts by Grade Group and Organizational Unit	191
XI. Net Appropriation by Organizational Result before and after Cost Increases	194
List of Acronyms	196

DIRECTOR-GENERAL'S FOREWORD

Complementing the Strategic Framework 2010-19, this document contains proposals for consideration by the governing bodies regarding the Medium Term Plan 2010-13 (MTP) and the Programme of Work and Budget 2010-11 (PWB). While physically separate as agreed by the Council at its June 2009 session, the Strategic Framework and MTP/PWB documents are closely linked as means to ends. This is in line with the expectations in the Immediate Plan of Action for FAO's Renewal (IPA) of a revitalized "family" of planning documents with different time horizons, but rooted in the same Results-based Management principles. The MTP/PWB proposals are the "operational" arm of the broad blueprint for action embodied by the Strategic Framework.

In the Foreword to the Strategic Framework, emphasis is placed on the length to which Members themselves have gone – with active support from the Secretariat, as required – in debating the best combination of high-level Strategic and Functional Objectives for ultimate endorsement by the November 2009 session of the FAO Conference. Going well beyond the progressively evolving "elements", as were submitted to the last Conference, this document provides Members with the opportunity to see, and react to a fully articulated package, including the critical dimension of resources.

Two major signals form the very special backdrop to the formulation of the present proposals. The first is the very grim message that hunger has been on the rise again, with the estimated number of malnourished people passing the one billion mark. The second is that the Members of FAO and its staff can be greatly emboldened by the fact that agriculture is back to centre stage.

It is indeed highly gratifying – and perhaps FAO can claim some important role in this – to observe the much heightened awareness at all levels (internationally, regionally and in individual countries) of the need to act urgently to address the unacceptable situation

of growing hunger. The recent L'Aquila Joint Statement on Global Food Security signals a welcome and encouraging shift of policy in favour of helping the poor and hungry to produce their own food. The World Summit on Food Security to be held just before the Conference will no doubt help to crystallize further this will to act.

But prevailing hunger and malnutrition is only the most compelling of the challenges facing Members in 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 have influenced the formulations of Objectives and underlying Organizational Results.

As called for by the IPA, and in order to make a clear link between the results that need to be delivered and the required resources, the Medium Term Plan and Programme of Work and Budget are, for the first time, presented in a combined document. The Medium Term Plan emphasizes the formulation of the Strategic and Functional Objective results frameworks, together with indicators and targets for achievement, which the Organization commits to delivering over the next four years. The formulation of these frameworks has helped all of us, together, to begin to focus and prioritize the work of the Organization, which will continue into the next biennium.

The PWB part, on other hand, sets out the resources that will need to be applied – from both assessed and voluntary contributions – over the first two years of the Medium Term Plan. The formulation process was particularly complex, as the PWB 2010-11 is in effect an all-inclusive package of reform and programme of work. On the basis of the proposals therein, Members should be in a position to make sure that this Organization can operate on a firm footing from the beginning of the next biennium.

Among the major dimensions, the implications of the wide-ranging reforms underway in FAO through the IPA and the outcome of the Root

and Branch Review need to be adequately reflected; a new organizational structure at headquarters is to be put in place in due course and in an orderly fashion; long-standing problems in relation to key financial mechanisms and reserves have not gone away and require continued attention by Members to identify, or pursue viable solutions; and the new results-based approach has to be incorporated with all its ramifications. As also specified in the IPA, a more integrated presentation of resources has been used, including recognition of the important role that Core Voluntary Contributions play in providing support to the overall programme of work.

Therefore, considerable changes are involved at this juncture, which must find their way in this PWB, including in the budgetary Appropriations Resolution to be approved by the Conference.

At the time of writing, the CoC-IEE is still discussing the concept of “reform with growth” and is expected to submit its conclusions directly to the Conference. The Secretariat cannot, and does not wish to prejudge these conclusions. It faces, however, a serious dilemma. On the one hand, can management and staff suppress a deep sense of duty in wanting to see FAO well-equipped to shoulder the responsibilities the international community may want to entrust to it as the result of the high-level policy discussions to fight food insecurity? On the other hand, as the current global economic and financial crisis is still unfolding, can the exceptional difficulties most, if not all, countries are experiencing as regards national public budgets, be ignored?

The present PWB foresees a unified work programme, with total resources required for the next biennium at about USD 2.3 billion from assessed and voluntary contributions. However, in respect of the share of this total

coming from assessments on Members, the proposed budget increment is limited to the estimated cost increases needed to preserve purchasing power and accommodate the critical incremental requirements for the Immediate Plan of Action and security expenditure.

In finalizing the PWB, the assumptions underpinning the costs of IPA implementation in 2010-11 have been carefully reviewed, taking into consideration also the realistic scope and timing of actions. The resulting cost reductions allow for just over half of the cost of the IPA to be covered by assessed contributions without affecting the programme of work.

The intent to limit the call on assessments to the maximum extent possible is matched by the conviction that the present positive signals for voluntary contributions from a variety of funding sources would continue to hold true in the future. The recent approval of a substantial programme of assistance to vulnerable countries by the European Union to be delivered under FAO’s auspices provides a sterling example of renewed mark of confidence in this Organization.

Management and staff remain of course committed to implement with due diligence the directives from the governing bodies which will stem from their examination and discussion of these Medium Term Plan and Programme of Work and Budget proposals.



Jacques Diouf
Director-General

EXECUTIVE SUMMARY

This document presents the Director-General's proposed four-year Medium Term Plan (MTP) and two-year Programme of Work and Budget (PWB) to guide the work of the Organization from the year 2010. The scope and format conform to the new integrated results-based approach approved in the Immediate Plan of Action (IPA) for FAO's Renewal (2009-11). The MTP/PWB provides for clear means-to-ends linkages between the measurable outcomes that FAO commits to achieve with all the resources at its disposal, which contribute to defined impacts in Members Countries. It also provides for improving the efficiency and effectiveness of the Organization by implementing the reforms called for by the IPA, thus providing a strong basis for "reform with growth".

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 unfolding global financial and economic crisis.

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 new 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 agreed in the Strategic Framework 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 have been formulated and will be implemented under the responsibility of senior managers leading corporate multi-disciplinary strategy teams. The Results Frameworks presented in the MTP/PWB include 174 measurable indicators of achievement with two- and four-year targets to facilitate monitoring and reporting. 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 three-year plan for far-reaching change throughout the Organization. Good progress was made in 2009 and the MTP/PWB reflects several completed or ongoing aspects, including a sequenced and prioritized plan for 2010-11 that brings 51% of the revised cost under the Net Appropriation. Work will focus on "managing for results" including implementation reporting and staff appraisal systems linked to the Organizational Results; "functioning as one Organization" to improve the coherence, performance and integration of the decentralized offices through investment in infrastructure, processes, training and staff rotation; and "human resources reform" following an agreed strategy.

A new Headquarters structure will be put in place comprising an apex with five advisory offices and two Deputy Directors-General (Knowledge and Operations) reporting to the Director-General. The DDG Knowledge will provide strategic direction to, and oversight of, the five technical departments (covering agriculture and consumer protection, fisheries and aquaculture, forestry, natural resources and environment, and economic and social development). The DDG Operations will do likewise with the new Corporate Services, Human Resources, and Finance Department, the restructured Technical Cooperation Department, and the Regional Offices. The latter will progressively take on new responsibilities for organizing the Regional Conferences, developing and implementing areas of priority action, overseeing country offices, and managing the non-emergency TCP programme.

Incremental savings and efficiency gains of USD 19.6 million have been factored into the PWB based on a five-pronged approach initiated in 2008: achieving lower cost of inputs; streamlining of administrative and operational processes; selective delayering of management posts; progressively adjusting the human resources mix; and increasing the funding base through extra-budgetary resources.

Resource requirements

As mandated by Conference under the IPA, this 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 2008-09 budget (USD 929.8 million), shifts were made within the base for the IPA (USD 4 million) and for statistics, Right to Food, EMPRES, livestock, climate change, fisheries, and forestry. Incremental requirements have been added to the base for the IPA (USD 15.6 million), Security Expenditure (USD 0.7 million), and to maintain purchasing power by updating unit costs through the estimation of cost increases (USD 49.9 million). Accordingly, the total proposed Net Budgetary Appropriation to be funded from assessed contributions is USD 995.9 million (including a total of USD 19.6 million for the IPA), a 7.1% increase over 2008-09.

The *Voluntary Contributions* reflect the estimates for extra-budgetary resources totalling USD 1,265 million through a variety of established funding mechanisms that fall into two main categories:

- *Core Voluntary Contributions* are the estimated extra-budgetary resource requirements of USD 247.2 million planned in the programme of work under the results frameworks and managed closely with the net appropriation, including Trust Fund projects that support core activities at global and regional levels (previously categorised as “Direct Support to the Regular Programme”); non-project contributions from partners; and USD 19.1 million for IPA implementation not included in the net appropriation.
- *Other Extra-budgetary Voluntary Contributions* are estimates of voluntary contributions totalling USD 1,018 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 2,260.9 million at the disposal of the Organization for implementation of the 2010-11 Programme of Work, including the Immediate Plan of Action.

Improving financial health, liquidity and reserves

Two sets of measures are presented to stabilise the General Fund deficit and avoid liquidity shortages, ranging from a minimum of USD 45.7 million to a desirable level of USD 177.1 million, which would need to be funded from additional assessed contributions, as follows:

- Recurring incremental requirements to address staff-related liabilities (After-service Medical Coverage and Terminal Payments Fund past-service liability) in the range of USD 25.2 million (minimal) to USD 75.4 million (desirable). These figures are in addition to the 2008-09 approved funding level of USD 14.1 million;
- One-time replenishment of the Working Capital Fund and Special Reserve Account (SRA) in the range of USD 6.4 million (SRA only for the GS salary increase paid in 2006-07) to USD 87.6 million (full replenishment of both).

*Guide to the Combined Medium Term Plan /
Programme of Work and Budget Document*

1. In its section on “*Reform of Programming, Budgeting and Results-based Monitoring*” (paragraphs 33 onwards) the IPA describes in broad terms the place and scope of the Medium Term Plan (MTP) and Programme of Work and Budget (PWB) in the revitalised family of forward-looking planning documents, alongside the longer-term Strategic Framework.
2. The Medium Term Plan is to have a four-year time horizon and be reviewed each biennium, while covering:
 - 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) – a maximum of some 80 inclusive of the Functional Objectives, 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.
3. The PWB is to cover a single biennium, with the budget divided between an administrative budget and a programme budget from assessed contributions and estimated extra-budgetary resources presented in a 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;
 - calculation of cost increases and planned efficiency savings;
 - provision for long-term liabilities, under-funded obligations and reserve funds; and
 - draft Appropriations Resolution for approval by the Conference.
4. At its 136th Session of June 2009, the FAO Council endorsed the recommendation from the Programme and Finance Committees that the Strategic Framework and the MTP/PWB proposals be presented as two physically separate documents.
5. The present combined draft MTP/PWB document is in consonance with the above expectations from governing bodies. While serving distinct purposes as set out in the IPA, the MTP and PWB parts are to be seen as fully complementing each other. Their contents have been shaped so as to make each part reasonably self-contained. Additional information can be found on FAO’s Internet Web site at www.fao.org/pwb (e.g. scheduled sessions).

The Director-General's
Medium Term Plan 2010-13

Medium Term Plan 2010-13

A. OVERALL CONTEXT

Trends and challenges

6. In formulating the Medium Term Plan, it is important to consider the fundamental trends that will affect food and agriculture at global, national and local levels in the coming decades. Their impacts will generally be felt most strongly in the developing countries, especially as their ability to cope with challenges is more limited. The situation is further compounded by the unfolding global financial and economic crisis.

7. The main challenges facing global food, agriculture and rural development are the large and increasing number of undernourished 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. Other important concerns include:

- a) further, though slower population growth for the world as a whole, but continued high population growth in developing countries, particularly in LDCs; according to current projections (UN 2006) the world's population is likely to rise from about 6.5 billion in 2005 to nearly 9.2 billion by 2050. The entire increase of 2.7 billion will take place in developing countries and the share of developed countries and transition economies is projected to shrink;
- b) a worrisome global food insecurity situation which continues to represent a serious threat for humanity. Global hunger has been non-declining, with close to 850 million people constituting a "core" which the world community has failed to reduce. Close to 150 million have been added recently by the combined effects of high food prices and the global financial and economic crisis. At the time of writing, the world counts approximately 1 billion people suffering from chronic hunger – that is 15 percent of the world population;
- c) rapidly ageing populations in developed and relatively advanced developing countries and dynamic urbanisation in all developing regions. The massive population shift from rural to urban areas will be so pronounced that urban areas will have to absorb nearly 3.9 billion people by 2030. Rural areas are likely to remain the nucleus of world hunger and to contain the majority (51 percent) 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) massive shifts in food production and consumption patterns, including a growing "double burden" of malnutrition, i.e. the co-existence of undernourishment and over-nutrition. Rising urbanisation will 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 to higher life expectancy and a better nutritional status. 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) will have to nearly double over levels attained in 2000. Much of the increase will need to take place in developing countries. 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 60 percent of the world's 450 million agricultural workers who 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.

8. Developments with bearing on FAO's action over the medium term and beyond, which provide opportunities to address these challenges, include:

- a) continued evolution of the countries' principal role of providing policy and regulatory frameworks conducive to sustainable development;
- b) growing number of countries in the middle-income group, and increased reliance on 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) 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) 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, and the impact of the Paris Declaration on aid harmonisation, alignment and predictability.

9. In addressing the overall trends and challenges facing food, agriculture and rural development, FAO's new results-based approach provides a structured means for focusing on the opportunities where FAO is best placed to intervene, leveraging its comparative strengths vis-à-vis other development partners. This promotes a demand-driven definition of focused interventions that are directly linked to the achievement of Members' Goals and Objectives. These interventions are the basis for FAO's four-year results frameworks and two-year programme of work presented in the Medium Term Plan and Programme of Work and Budget.

B. THE RESULTS-BASED APPROACH IN THE ORGANIZATION

10. 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.

11. 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.

12. 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 (see *Figure 1*).

13. 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.

14. 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.

15. 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 (see MTP section C and PWB section IV).

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

- National Medium-term Priority 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 (see *Section E*).

17. During implementation, progress towards the achievement of the Organizational Results, as measured through their indicators, will be tracked. This results-based monitoring will permit the identification of any issues that could prevent FAO from delivering the Organizational Results, and provide the opportunity to make in-course adjustments and changes to forward planning. Biennial implementation reporting under the new results-based regime will change significantly, both in terms of content and presentation. Future reports will focus on achievement of outcomes as measured against targets specified in the Medium Term Plan and Programme of Work and Budget, rather than activities and outputs.

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. FORMULATION OF RESULTS-BASED FRAMEWORKS

18. In adopting the IPA in November 2008, the FAO Conference endorsed the application of new results-based management (RBM) principles and specified the format for presentation of Strategic and Functional Objectives and underlying Organizational Results in the Medium Term Plan. The stipulations in the IPA regarding the application of RBM were the culmination of reflections on key aspects carried out in the Conference Committee for the Follow-up to the Independent External Evaluation of FAO (CoC-IEE) and its Working Groups during the year 2008, based on a number of analytical documents prepared by management.

19. On this basis, the results-based frameworks for the SOs and FOs have been prepared to be agreed by the membership in the Medium Term Plan. Drafts of these results frameworks were considered on several occasions by the CoC-IEE and its Working Group 1 (WG1) and advice was also obtained from the Technical Committees of the Council at their Sessions of early 2009, as well as the Programme and Finance Committees at their Sessions of May and July 2009.

Formulation process

20. 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 inter-departmental Strategy Teams for this purpose, including staff in decentralized offices and with a senior officer designated as team leader. Supportive activities included a series of briefings, training courses and a “Results Marketplace” to share results framework formulations and good practices among Strategy Teams, staff and Members. An information sharing node was established in the Organization’s Web-based planning system PIRES to facilitate access by all staff to guidance and training materials, as well as the results framework for each Strategic and Functional Objective, as they evolved.

21. In line with IPA action 3.79 to fully involve ADG/Regional Representatives in programming and budgeting, horizontal consultations were carried out within regions/subregions to assess priorities, based on available draft results frameworks, coupled with vertical consultations with Strategy Teams. A major challenge was that the timeframe available for preparation of the planning documentation in 2009 was shorter than for the next full cycle that will start in 2010. Thus the regional contributions could not fully benefit from guidance on regional priorities by the Regional Conferences. The development of regional and subregional areas of priority action is foreseen for consideration by the Regional Conferences in 2010.

22. Given that there is a mix of sectoral and cross-cutting SOs, Members have stressed the importance of proper integration of the Strategic Objectives and their Organizational Results to ensure that the areas of work covered are complementary to one another and clearly delineated so as to avoid duplication. The CoC-IEE WG1 endorsed principles to promote this integration, including: i) the need to incorporate in sectoral ORs clearly identifiable links to primarily cross-cutting areas; ii) specification of the added interdisciplinary value that cross-sectoral ORs would bring to the implementation of all SOs; and iii) inter-disciplinary coordination mechanisms to support integrated approaches.

23. The Strategy Teams used logframe-based analysis to validate how the proposed Organizational Results addressed key problems and to identify any gaps and overlaps. The determination of where FAO is best placed to intervene, as a step in priority setting, was guided by the criteria outlined in the IPA: past organizational performance; existing technical capacity, including for cross-disciplinarity; integration of strengths in advocacy, normative work and technical cooperation; availability of alternative sources of supply and avoidance of duplication; and partnership opportunities. At the Organizational Result level, the teams: formulated indicators of outcome, including targets and means of verification; identified key assumptions and risks associated with each indicator, together with the appropriate mitigation strategies; and validated the primary tools – the goods and services FAO will need to provide – taking account of FAO’s strengths in terms of application of the core functions and the criteria noted above.

24. Early drafts of the results frameworks were reviewed by the Committees on Agriculture, Fisheries, and Forestry. The Committees provided comments on the substance of the frameworks under their purview and the Council requested that further prioritization be undertaken at their next Sessions. The Council also observed that achieving further progress in prioritization would require a long-term commitment from both Members and Management.¹

Contributions of strategy teams

25. The strategy teams facilitated discussion and consultation within and across units at headquarters and decentralized offices and ensured the effective application of a results-based approach. Relatively broad guidance was provided on their function and composition (i.e. staff directly responsible for constituent results, staff from other relevant disciplines, contributing decentralized offices). This type of arrangement has contributed to multi-disciplinary discussions and analytic work (e.g. on average about one-third of team members were from outside the lead department) helping to ensure a holistic approach in formulating the results and selecting the primary tools.

26. The role and responsibility of the teams will be further developed and formalised, so as to empower them to play an active role in implementation monitoring and reporting. This is critical to ensure that the budgets and more detailed workplans of the units contributing to each of the Organizational Results are fully aligned with the thrusts set forth in the medium-term planning exercise. It will also enable the teams to coordinate monitoring and reporting on expected achievements as expressed through the Organizational Result indicators.

Indicators

27. The formulation of specific, measurable, achievable, realistic and time-bound (SMART) indicators of outcome is at the heart of the new FAO planning framework, and will be one of the critical success factors for an effective results-based management system. This has presented significant challenges in preparing the MTP, as staff capacity to identify and select indicators of requisite quality is generally uneven, and needs to be strengthened. The iterative formulation process has enabled progressive improvements in this area, aiming for: i) indicators that can measure outcome rather than output level results; ii) the ability to effectively benchmark, measure and monitor the indicators on an ongoing basis through baselines and data sources (means of verification); iii) more efforts to limit the number of indicators for each outcome, so as to permit monitoring within foreseeable resource levels; and iv) enhance consistency in phraseology.

28. A central aspect of this formulation is ensuring the ability to effectively benchmark and periodically assess progress – which is made possible by the identification of baselines and targets. An indicator baseline is the value of the indicator measured at the beginning of the period – in this case the beginning of 2010 - or current value, where the 2010 value cannot be known. An indicator target is the value of the same indicator at the end of the two-year PWB and four-year MTP, reflecting what is expected to be achieved during those periods.

29. As an example, the indicator “*Number of countries that have adopted FAO sterile insect techniques for fruit fly and moth control*” has a baseline of 12 countries, a two-year target of 13 countries and a four-year target of 15 countries. At the end of the two years, there is a commitment to have 13 countries which have adopted sterile insect techniques – the 12 countries included in the baseline plus 1 additional country. Similarly, at the end of the four years there will be 15 countries – the 12 countries included in the baseline plus the 1 additional country during the first two years, plus a further 2 countries during the second two years.

30. Establishing the baseline for an indicator normally involves undertaking an analysis or study. Following on this, in preparing the current draft of the MTP it has not been possible to immediately establish baselines for indicators in cases where the required analysis has not yet been completed. In such instances, it has been indicated that the baseline is “to be determined” and thus the provisional targets that appear in the text will most likely need to be adjusted to reflect the baselines.

¹ CL 136/REP paragraph 65

Accountability framework

31. Clear managerial responsibilities throughout the cycle of preparation, implementation and assessment are to be assigned for each Strategic Objective, Functional Objective, Organizational Result, Core Function and Impact Focus Area. Managers at all locations will be accountable for progress, not only in terms of provision of products and services, but also the results achieved.

32. In practice, senior managers (Assistant Director-General or Head of Office) have been assigned responsibility for each Strategic and Functional Objective, Core Function and Impact Focus Area. These senior managers have the overall responsibility for ensuring the suitability and coordination of work across the Organization for achieving results under each area. Individual units will be held accountable for aligning workplans and resources to deliver specific, agreed contributions to overall corporate (including regional, subregional and national) goals. Performance measurement, both for managers and staff, will reinforce the alignment of individual accountability and achievement of intended results.

Application of core functions

33. When designing an intervention, management must decide on an appropriate set of primary tools – goods and services to be delivered to stakeholders – that will most effectively leverage the Organization’s comparative advantages. In doing so, FAO has a powerful “toolkit” at its disposal – the means of action articulated in the Organization’s core functions. The IPA recognised the critical importance of eight core functions, which are shown in *Figure 2* and elaborated in *Section D* below.

Figure 2: Core Functions of FAO

- a) Providing long-term perspectives and leadership in monitoring and assessing trends in food security and agriculture, fisheries and forestry.
- b) Stimulating the generation, dissemination and application of information and knowledge, including statistics.
- c) Negotiating international instruments, setting norms, standards and voluntary guidelines, supporting the development of national legal instruments and promoting their implementation.
- d) Articulating policy and strategy options and advice.
- e) Providing technical support to:
 - promote technology transfer;
 - catalyse change; and
 - build capacity, particularly for rural institutions.
- f) Undertaking advocacy and communication, to mobilise political will and promote global recognition of required actions in areas of FAO’s mandate.
- g) Bringing integrated interdisciplinary and innovative approaches to bear on the Organization’s technical work and support services.
- h) Working through strong partnerships and alliances where joint action is needed.

Results Frameworks

34. Areas of programmatic emphasis are presented in PWB Section I.B, and the full elaboration of the results frameworks for each Strategic Objective and Functional Objective is provided in PWB *Section IV*. The formulations include:

- the objective title, being the benefits or changes expected to be achieved in a ten-year timeframe in country institutions, the international community or development partners;

- the statement of issues and challenges, being the problem(s) to be addressed, including significant demographic, environmental and macro-economic factors and trends; it highlights key development intervention needs focusing on opportunities for intervention by FAO, through targeted Organizational Results and Primary Tools;
- assumptions and risks associated with the achievement of the objective, assuming the Organizational Results are achieved. Assumptions are hypotheses about risks that could affect the progress or success of a development intervention;
- a checklist of the application of the core functions to the achievement of each of the Organizational Results;
- Organizational Results, being the outcome, or effects, that are expected to be achieved over a four-year time horizon from the update and use of FAO's products and services;
- indicators, being the quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor;
- a baseline, being the value of the indicator measured at the beginning of the period – in this case the beginning of 2010;
- targets, being the values of the same indicator at the end of the two-year PWB and four-year MTP, hence reflecting what is expected to be achieved during those periods; and
- the level of biennial resources (assessed and voluntary) planned for each Organizational Result across the Organization.

35. It should be noted that four-year resource allocations have not been estimated. This is both in recognition that the prioritization process is on-going, and will not be fully implemented until the next biennial planning cycle, as well as the uncertainty in forecasting extra-budgetary delivery over the third and fourth years of the MTP period. Hence, the four-year targets presented in the results frameworks reflect a similar resource assumption for 2012-13 as for 2010-11.

D. CORE FUNCTIONS

36. The eight Core Functions (see *Figure 2*) draw on FAO's comparative advantages and are to be applied at all levels: global, regional and national. Strategies to ensure coherent approaches, cooperation among organizational units, mutual learning and the pursuit of excellence are provided below.

A. Monitoring and assessment of long- and medium-term trends and perspectives

37. 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 have been – and will continue to be – 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 organisations.

38. 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.

39. Global perspective studies also require a true multidisciplinary approach. Internally, they will 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 will seek to expand long-standing and fruitful cooperation agreements with IIASA, the 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 will continue to combine 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.

B. Assembly and provision of information, knowledge and statistics

40. 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 and the WAICENT Committee, as well as the *FAO Publishing Policy*. A complementary corporate strategy on statistics is implemented by the newly formed Statistics Programme Steering Committee.

41. 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 above corporate strategy will give 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" which will be exploited further. FAO staff and partner organizations will convene in such venues as the Knowledge Share Fair 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.* It has been amply demonstrated that successful information and knowledge activities require a holistic approach with well-coordinated inputs from different disciplines, and this will be pursued.

42. 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 on statistics; ii) support to countries through CountrySTAT and other tools developed and agreed for individual sectors, i.e. fisheries, forestry and natural resources; iii) continued efforts to upgrade 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.

C. Development of international instruments, norms and standards

43. 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.

44. Stemming from the activities of its own statutory bodies or at the request of other intergovernmental organizations, in particular the WTO, setting norms, standards and voluntary guidelines is also a major tool with which FAO seeks to respond to the priorities of the Membership.

45. 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, depends on Secretariat support to the appropriate Bodies, including preparing draft standards for negotiation at intergovernmental level.

46. This core function will seek 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 expected to be mainly plant protection and quarantine, food safety and genetic resources. In addition, the Organization will promote 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.

D. Policy and strategy options and advice

47. This core function is closely interlinked with other core functions. It seeks to meet growing demand for policy assistance. 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) are expected to 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.

48. A strong policy assistance node involving all concerned units should contribute to achieving this.

49. 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.

50. In the application of this core function, it will be important:

- to build and maintain institutional knowledge on policy and strategy options and avoid fragmented approaches;
- hence, identify and analyse cross-cutting issues and privilege multi-disciplinarity in such strategy options and advice;
- to enhance further capacity building in countries to enable them to implement well-tailored policies, as well as effective tools for their implementation;
- to engage in regular consultations with public and private stakeholders;
- to share widely guidelines and best practices on the development of policy; and
- to participate proactively in other international fora where policy and instruments with bearing on FAO's mandate, are conceived and adopted.

E. Technical support to promote technology transfer and build capacity

51. Stewardship of this core function is done by the Interdepartmental Working Group on Capacity Development. In the corporate strategy, the term "*capacity development*" has been adopted to replace "*capacity building*", in part to take account of general trends in the international development community, including in UN agencies. 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/DAC). The shift in 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.

52. 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.

53. Application of this core function implies aligning to internal processes in FAO:

- new capacity development approaches fully institutionalised within existing systems and procedures, and appropriate governance, tools, and guidelines available;
- close internal coordination with other core functions;
- good practices mainstreamed in FAO's programming tools;
- effective tracking and reporting mechanisms;
- communication of FAO's capacity development efforts internally in FAO and externally with authorities in countries and partners; and
- enhanced Human Resources systems that take account of new corporate approaches to capacity development.

F. Advocacy and communication

54. 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.

55. Work will involve 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 increasingly utilised as well.

56. 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 will be called upon to 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. These efforts are coordinated by a permanent Communication Working Group, reporting to the Corporate Communication Committee.

G. Interdisciplinarity and innovation

57. 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. Some of the summaries above on knowledge and information, capacity building and advocacy and communication give ample evidence of successful innovative approaches which are expected to continue.

58. The new results-based regime will greatly contribute to enhance interdisciplinarity. Most, if not all of the Strategic and Functional Objectives and underlying Organizational Results, the Impact Focus Areas, and the Core Functions, which underpin the present Strategic Framework, imply constant interactions and working across disciplinary lines. Their conceptualisation has clearly involved considerable internal discussions among the concerned divisions, departments and offices. This momentum will pursue its positive effects during implementation, and the latter is expected to involve the same degree of shared commitment.

59. At the same time, interdisciplinarity must 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 (cf. preceding text on the Core Function of policy and the following one on partnerships and alliances).

60. Interdisciplinarity also affects Human Resources Management in many ways, including:

- appropriate training to strengthen capacity for interdisciplinary and 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.

H. Partnerships and alliances

61. 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 would be 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.

62. 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.

63. 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 NGOs, and the private sector. Many less formalised networking arrangements also contribute.

64. 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 the other Rome-based agencies, IFAD and WFP will be actively pursued.

E. RESOURCE MOBILIZATION

65. The Organization is to put in place a resource mobilisation and management strategy starting in the next biennium, comprising Impact Focus Areas, National Medium Term Priority Frameworks, and regional and subregional areas of priority action. The strategy will be part of the medium-term planning process to ensure the focus of voluntary contributions on the results frameworks and improve governing body monitoring and oversight. It specifies close integration of projected resources from voluntary contributions with those from assessed contributions, in support of the Strategic Objectives and Organizational Results. For the 2010-11 biennium, the estimates of voluntary contributions are based primarily on operational and pipeline projects with budgets in the biennium (see PWB *Section I.A*). In the future, estimates of voluntary contributions will need to be prepared taking a more forward-looking, strategic approach.

66. The Impact Focus Areas (IFAs) will contribute to strategic resource mobilization at all locations. Specifically, IFAs will orient resource mobilization and partnering efforts towards priority groups of Organizational Results across or within the Strategic Objectives, acting as “flagships” and providing a communication and advocacy tool. The aim is to progressively attract pooled funding of voluntary contributions under the results frameworks, with a target of 20% of extra-budgetary resources mobilized through IFAs by 2013 (see Organizational Result X1). All resources attracted through the IFAs will contribute directly to the achievement of selected Organizational Results.

67. IFAs are to have a duration of four years and be reviewed each biennium, in line with results and emerging needs. Seven possible IFAs were identified in the IPA. These have been elaborated through a consultative process inside the Organization and with Members. The seven IFAs are described in *Figure 3*, including the Organizational Results supported. The seven IFAs as formulated will orient resource mobilization toward 45 of the 49 Organizational Results. Emphasis has been put on the identification of partnerships, including efforts to secure contributions from important external partners in terms that do not necessarily translate into financial resources, but are nonetheless critical to the achievement of the related Organizational Results.

Figure 3: Impact Focus Areas**Support to the implementation of the CFA - smallholder farmer food production and global information and monitoring systems (IFA-CFA)****Organizational Results supported:** A1, B1, B4, G1, G2, G3, H1, H2, I3, K3, L1, L2, L3

The Comprehensive Framework for Action of the UN High-Level Task Force on the Global Food Crisis provides governments, regional and international organizations with a menu of policies and actions from which to draw responses that are appropriate to the specific needs, capacities and conditions of regions and countries. The purpose of the IFA-CFA is to increase the scale and focus of FAO's corporate support to achievement of the CFA outcomes: "*Smallholder farmer food production growth sustained*" and "*Global information and monitoring systems strengthened*".

Transboundary threats to production, health and environment (IFA-EMPRES)**Organizational Results supported:** A2, A3, B2, C4, D3, E4, I1, I2, I3

EMPRES supports the building of national, sub-regional, regional and global systems for surveillance, identification of sources of potential and imminent threats, detection of outbreaks, early warning, rapid response, supportive research, and rehabilitation emphasizing "building back better" after outbreaks of transboundary animal diseases and plant pests, and food safety incidents. 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 and health risks.

Strengthening the base for sustainable forest management (IFA-SFM)**Organizational Results supported:** E1 to E6

In many countries, there is a disconnect between information about forests and trees, and implementing effective practices to improve their management and conservation. The IFA focuses on strengthening national capacities to monitor, assess, report on, and validate forest and tree resources, land uses, and the effective implementation of forest policies and responsible practices based on good information and transfer of knowledge. It will also strengthen capabilities to contribute to international policy formulation and to meet global reporting obligations under the UN Framework Convention for Climate Change, the Convention on Biological Diversity, Convention to Combat Desertification, and the UNFF (Forum on Forests) non-legally binding instrument on all types of forests.

Capacity building in support of Implementation of the Code of Conduct for Responsible Fisheries (IFA-CCRF)**Organizational Results supported:** C1 to C6

The IFA supports the promotion of responsible fisheries and aquaculture sector management at the global, regional and national levels with priority given to capacity building in support of implementation of the Code of Conduct for Responsible Fisheries, Compliance Agreement and associated International Plans of Action.

Coping with scarcity of water and land resources (IFA-WALS)**Organizational Results supported:** A1, B3, F1, F2, F4, F5, L2

The scarcity of water and land resources, aggravated in some regions by the impact of climate change, are among the main constraints to doubling the world's food production between now and 2050 and securing adequate food supply at local, national and global levels, while preserving the natural resources base. The agriculture sector will need to increase water and land productivity in a

sustainable manner, while negotiating water allocations with other users as a matter of priority. This IFA will contribute to the achievement of the Strategic Objectives 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.

Capacity building to strengthen information and statistics for decision-making for the sustainable management of agriculture, natural resources, food security and poverty alleviation (IFA-CBIS)

Organizational Results supported: C1, E1, F1, F2, F6, H4, H5, K2

FAO plays a key role in the collection, analysis, interpretation and dissemination of information and statistics on nutrition, food, agriculture and forest and fishery resources. Quality issues are at the heart of improving the statistics compiled by FAO as was clearly recognized in the recent independent evaluation on statistics in FAO (2008). 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.

Global standard setting and implementation into national policies and legislation (IFA-SNL)

Organizational Results supported: A1, A2, A3, A4, B3, D1, D2, D3, D4, F3

The effective development and implementation of internationally recognized standards, agreements and action plans adopted by FAO statutory bodies and commissions, in particular to satisfy requirements under WTO Agreements, rely on national capacity and secretariat support. 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).

The Director-General's
Programme of Work and Budget
2010-11

I. Main Features of the Programme of Work and Budget

A. INTEGRATED PRESENTATION OF RESOURCES

Introduction

68. As mandated by Conference in the reform of programming and budgeting under the Immediate Plan of Action for FAO Renewal, the PWB 2010-11 proposes a biennial Programme of Work funded from the assessed budget and an estimate of extra-budgetary 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 country offices, the Technical Cooperation Programme, and Capital and Security Expenditure.

69. This presentation is a change from past practice. Since the 1998-99 biennium, the PWB document has presented a “Programme of Work” funded from assessed contributions and from support cost resources and other income that were largely at the disposal of the Organization and managed closely with the Regular Budget appropriation. The membership was also informed of the level of other expected extra-budgetary voluntary contributions, split between those that would provide direct support to implementation of the Programme of Work, and those providing technical and emergency (including rehabilitation) assistance to countries for clearly defined purposes, consistent with the policies, aims and activities of the Organization.

70. The IEE found that the presentation of a “Programme of Work” including support costs and other income was confusing and recommended that the distinction between the “Programme of Work” and the net budgetary appropriation should be eliminated. Furthermore, other extra-budgetary funds, which have grown to be about half of the resources at the disposal of the Organization, were not allocated with reference to the requirements in the existing Strategic Framework and Medium Term Plan.

71. As noted above, this PWB presents an integrated view of total resource requirements to carry out the Programme of Work directly linked to the MTP. It is necessary to recognise the major funding components of this total, as they follow different constitutional mandates, planning cycles and procedures.

72. 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 extra-budgetary 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.

73. As highlighted in the Immediate Plan of Action,² in order to improve prioritisation, effectiveness and oversight of FAO’s work, assessed contributions and extra-budgetary voluntary resources will henceforth be handled as a unified work programme. Through the results-based approach, these resources will be 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 propose the Programme of Work, the level of assessed budget and provide an estimate of extra-budgetary funding to the Conference, with the budget divided between an administrative budget and a programme budget presented in the results-based framework. The Conference will vote the *Net Appropriation* to be financed by assessed contributions, and in addition should encourage Members to provide the estimated extra-budgetary voluntary resources.

² C 2008/4 para. 33

Overview of resources planned and sources of funding

74. The presentation of planned resources in this PWB 2010-11 builds on the approach agreed in the IPA. *Table 1.A* provides a summary of 2010-11 resource requirements by Objective and source of funding – the *Net Appropriation* and *Voluntary Contributions* (core and other extra-budgetary).

75. 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 2008-09 budget (USD 929.8 million) and including incremental requirements for the Immediate Plan of Action and Security Expenditure (USD 16.2 million). The *Net Appropriation* of USD 946 million (before cost increases) represents 43% 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 49.9 million, see *Section III.A*), resulting in a *Net Appropriation* of USD 995.9 million with cost increases.

76. The *Voluntary Contributions* reflect the estimates for extra-budgetary resources, comprising 57% (USD 1,265 million) of overall resource requirements. *Voluntary Contributions* include a variety of established funding mechanisms that fall into two main categories, as shown in *Table 1.B* and elaborated below.

77. The *Core Voluntary Contributions* are the estimated extra-budgetary resource requirements planned in the programme of work under the results frameworks and managed closely with the net appropriation. They represent 11% (USD 247.2 million) of the overall resource requirements (and 20% of all voluntary contributions) and include:

- Trust Fund projects that support core activities at global and regional levels (categorised in previous PWBs as “Direct Support to the Regular Programme”) (see *Annex VIII* for details);
- non-project contributions from partners (e.g. World Bank Cooperative Programme, WHO contribution to Codex); and
- resources for the implementation of the Immediate Plan of Action³ in 2010-11 that are not included under the Net Appropriation, as described in *Section II.A*.

78. The *Other Extra-budgetary Voluntary Contributions* are estimates of voluntary contributions (USD 1,018 million) for programmes and projects contributing to the results frameworks in the Medium Term Plan and providing support to the field programme and technical assistance to countries (i.e. technical cooperation) and emergency and rehabilitation assistance.

79. *Annexes I* and *V* provide a breakdown of resources by region. *Annex III* provides a breakdown of resources to the Organizational Result level. *Annex VIII* provides additional information on the composition of the Core Voluntary resource estimates.

³ The IPA costs and savings are shown without Project Support Costs

Table 1.A: 2010-11 Budget Proposal by Strategic/Functional Objective (in USD 000 at 2008-09 rates)

Strategic/Functional Objective	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
A - Sustainable intensification of crop production	47,495	16,237	175,852	239,584
B - Increased sustainable livestock production	30,706	6,280	148,711	185,697
C - Sustainable management and use of fisheries and aquaculture resources	53,867	35,219	52,466	141,553
D - Improved quality and safety of food at all stages of the food chain	23,935	6,832	11,330	42,098
E - Sustainable management of forests and trees	41,288	44,744	33,341	119,372
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	51,557	31,741	53,096	136,394
G - Enabling environment for markets to improve livelihoods and rural development	39,138	6,199	45,383	90,721
H - Improved food security and better nutrition	57,162	9,601	80,285	147,049
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,397	5,077	367,140	379,614
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,721	2,879	9,824	22,423
L - Increased and more effective public and private investment in agriculture and rural development	35,722	43,146	8,625	87,492
X - Effective collaboration with Member States and stakeholders	205,188	17,078	9,762	232,029
Y - Efficient and effective administration	109,241	17,119	8,834	135,195
FAOR - FAOR Programme	77,194	1,699	12,500	91,393
TCP - Technical Cooperation Programme	109,221	0	0	109,221
Contingencies	600	0	0	600
Capital Expenditure	22,579	3,150	0	25,729
Security Expenditure	23,955	188	601	24,744
Total	945,965	247,189	1,017,751	2,210,906

Table 1.B: Budget Proposal by Strategic/Functional Objective and Funding Source (in USD 000 at 2008-09 rates)

Strategic/Functional Objective	Net Appropriation	Core Voluntary			Other Extra-budgetary		Total
		Trust Fund Projects	Non-project contributions	IPA	Field Programme	Emergencies	
A - Sustainable intensification of crop production	47,495	16,227	10	0	62,851	113,000	239,584
B - Increased sustainable livestock production	30,706	5,416	864	0	21,733	126,979	185,697
C - Sustainable management and use of fisheries and aquaculture resources	53,867	34,106	1,113	0	36,467	16,000	141,553
D - Improved quality and safety of food at all stages of the food chain	23,935	5,607	1,225	0	9,330	2,000	42,098
E - Sustainable management of forests and trees	41,288	44,744	0	0	27,962	5,379	119,372
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	51,557	30,833	908	0	46,095	7,001	136,394
G - Enabling environment for markets to improve livelihoods and rural development	39,138	6,149	50	0	30,521	14,862	90,721
H - Improved food security and better nutrition	57,162	9,523	79	0	77,976	2,309	147,049
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,397	5,041	36	0	30,892	336,248	379,614
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,721	2,800	79	0	6,824	3,000	22,423
L - Increased and more effective public and private investment in agriculture and rural development	35,722	6,649	36,497	0	6,625	2,000	87,492
X - Effective collaboration with Member States and stakeholders	205,188	8,013	530	8,535	5,605	4,157	232,029
Y - Efficient and effective administration	109,241	2,126	7,593	7,400	524	8,310	135,195
FAOR - FAOR Programme	77,194	0	1,699	0	8,700	3,800	91,393
TCP - Technical Cooperation Programme	109,221	0	0	0	0	0	109,221
Contingencies	600	0	0	0	0	0	600
Capital Expenditure	22,579	0	0	3,150	0	0	25,729
Security Expenditure	23,955	0	188	0	0	601	24,744
Total	945,965	177,233	50,871	19,085	372,106	645,646	2,210,906

Voluntary contributions – level of assurance

80. 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 extra-budgetary voluntary resources will be subject to some risk. In the planning process for 2010-11, this risk has been mitigated by deriving estimates of extra-budgetary resources based on status of extra-budgetary projects, with two levels of assurance:

Higher level of assurance

- currently operational projects that have budgeted resources in 2010-11;
- project proposals in the pipeline that are under negotiation and are likely to be approved, with budgets in 2010-11, being essentially assured funding;

Lower level of assurance

- prospects based on project ideas and positive contacts with donors;
- the portion of the cost of the Immediate Plan of Action not accommodated under the Net Appropriation.

81. *Annex II* demonstrates that this methodology for estimating extra-budgetary 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, 43.5% of estimated extra-budgetary voluntary contributions can be classified as highly assured, ranging from 11.5% for emergencies to 58% for Core Voluntary (63% excluding the IPA) to 89% of Support to the Field Programme and Technical Assistance.

82. On the other hand, estimated *prospects* of Core Voluntary contributions (excluding IPA costs and emergencies) account for some 21% of estimated voluntary contributions, with low assurance of funding. This risk could be mitigated in the future by the resource mobilisation and management strategy.

83. It is recalled that the Organization is to put in place a resource mobilisation and management strategy starting in the next biennium, comprising Impact Focus Areas, National Medium-term Priority Frameworks, and regional and subregional areas of priority action. The strategy will aim to focus voluntary contributions on the results frameworks and improve governing body monitoring and oversight. Meanwhile, as noted above, most of the estimated voluntary contributions for 2010-11 have been derived from ongoing and pipeline projects, which were formulated before the new results frameworks were put in place. Thus the allocation of estimated voluntary contributions in 2010-11 has not benefited from the more strategic approach that will be in place for future biennia.

84. In terms of the overall level of voluntary contributions, the estimates for 2010-11 are in line with recent trends. Actual delivery of extra-budgetary resources was USD 635 million in 2004-05 (against PWB plan of USD 495 million) and USD 932 million in 2006-07 (against PWB plan of USD 779 million). In the PWB 2008-09, USD 837 million in extra-budgetary resources was planned, while estimated delivery is forecast at around USD 1.3 billion. In the PWB 2010-2011, USD 1.264 billion is planned, slightly less than forecast delivery for the current biennium.

B. AREAS OF PROGRAMMATIC EMPHASIS

85. The proposed biennial Programme of Work is based on the requirements to achieve the two-year targets for each Organizational Result under the results frameworks presented in the Medium Term Plan for the Strategic Objectives and Functional Objectives. It also sets out the associated requirements for country offices, the Technical Cooperation Programme, and Capital and Security Expenditure.

86. In line with the integrated presentation of resources, the requirements are funded from the net appropriation (assessed budget) and an estimate of extra-budgetary resources (broken down by Core Voluntary Contributions, Support to the Field Programme and Assistance to Member countries, and Emergency Assistance).

Resource parameters

87. Under the new integrated results-based planning framework, the aim is to move toward budgeting by Objective over the next two biennia. For the 2010-11 biennium, Heads of Departments/Offices were responsible for allocating their net appropriation resource targets and estimates of extra-budgetary resources to the Organizational Results, based on the nature of their required biennial contribution in terms of products and services as agreed with the Strategy Teams. These contributions, so-called “Unit Results”, will be further developed during the work planning process prior to implementation.

88. The net appropriation targets were adjusted, by reallocating some of the savings from delayering, to ensure that certain high priority areas of work received additional resources in the final allocations, in line with the most recent guidance from the governing bodies. These include: statistics, Right to Food,⁴ EMPRES, livestock, climate change, fisheries and forestry.

89. As explained in *Section I.A*, the estimates of extra-budgetary resources were derived from currently operational projects that will have budgeted resources in the biennium 2010-2011, projects in the pipeline, and prospects for additional voluntary contributions. The prospects were estimated from project ideas, contacts with donors and incremental requirements for the IPA.

Programmatic Comparison

90. Under the new Strategic Framework, the foundations for planning have fundamentally changed, with a strong focus on identifying priorities among the 13 new Strategic and Functional Objectives (comprising 56 Organizational Results) rather than the 43 Programmes (with 183 Programme Entities) of the 2008-09 biennium. In fact, the Objectives and Results for 2010 and beyond were identified and formulated without reference to the existing programme structure.

91. Nonetheless, to enable a programmatic comparison of the *Net Appropriation* for the 2008-09 biennium and that proposed for the 2010-11 biennium, an *ex post* mapping of old programme entity resources to new Strategic and Functional Objectives has been undertaken, based on the area of work supported.

92. The resulting comparison should be interpreted as indicative at best, due to the inherent imprecision of associating the old and new planning frameworks, which have different approaches and assumptions. For example, the old framework has technical, non-technical and management programme entities, while the new framework has Core Functions and management directly associated with delivering a limited number of results.

93. Based on the mapping, *Table 2* provides a resource comparison for the *Net Appropriation* between the PWB 2008-09 and the proposed PWB 2010-11, at the Strategic/Functional Objective level. It provides an indication of where shifts in programmatic emphasis may have occurred in moving from the 2008-09 programme structure to the new FAO results hierarchy.

⁴ Implementation of the Voluntary Guidelines to Support the Progressive Realisation of the Right to Adequate Food in the Context of National Food Security

Table 2: Comparison of Net Appropriation between the PWB 2008-09 and the proposed PWB 2010-11 (before cost increases) (USD million)

Objective	PWB 2008-2009	Proposed 2010-2011	% Variance
A - Sustainable intensification of crop production	42.8	47.5	11.0%
B - Increased sustainable livestock production	25.5	30.7	20.4%
C - Sustainable management and use of fisheries and aquaculture resources	53.0	53.9	1.7%
D - Improved quality and safety of food at all stages of the food chain	23.3	23.9	2.6%
E - Sustainable management of forests and trees	40.0	41.3	3.2%
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	50.2	51.6	2.7%
G - Enabling environment for markets to improve livelihoods and rural development	40.9	39.1	-4.3%
H - Improved food security and better nutrition	59.7	57.2	-4.2%
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	6.3	7.4	18.3%
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9.6	9.7	1.6%
L - Increased and more effective public and private investment in agriculture and rural development	36.0	35.7	-0.9%
X - Effective collaboration with Member States and stakeholders	208.5	205.2	-1.6%
Y - Efficient and effective administration	103.1	109.2	6.0%
FAOR - FAOR Programme	77.8	77.2	-0.8%
TCP - Technical Cooperation Programme	109.2	109.2	0.0%
Contingencies	0.6	0.6	0.0%
Capital Expenditure	20.1	22.6	12.2%
Security Expenditure	23.3	24.0	2.9%
Total	929.9	946.0	1.7%

Programmatic emphasis

94. Beyond the additional resources provided for certain high-priority areas through the net appropriation resource targets as noted above, a number of shifts in programmatic emphasis are embedded within the Objectives under the proposed Programme of Work 2010-11. Recognizing that these may not always be apparent due to the level of aggregation in presentation of the results frameworks, a summary of areas receiving increased and decreased emphasis, by Strategic and Functional Objective, is presented below:

Strategic Objective A – Sustainable intensification of crop production

95. Areas receiving increased emphasis for the coming biennium comprise: ecosystem approach to sustainable crop production intensification, including ecosystem services such as pollination and plant nutrient management; EMPRES Plants for Pest and Diseases other than desert locust; implementation of the Global Plan of Action on Plant Genetic Resources for Food and Agriculture; technical inputs to policy, and climate change adaptation and mitigation.

Strategic Objective B - Increased sustainable livestock production

96. For the 2010-11 biennium, FAO's livestock programme will put emphasis on: transboundary animal diseases (including zoonotic diseases) prevention and control; livestock policy and institutions for poverty alleviation; implementation of the Global Plan of Action on animal genetic resources; and livestock-environment interactions, including mitigation opportunities for climate change impacts of

the sector. Work on animal production and conventional breeding technologies, as well as production-related animal diseases will be de-emphasized and referred to alternative suppliers.

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

97. The Organizational Results reflect the main priorities related to Strategic Objective C, as discussed and approved by the Committee on Fisheries, and hence no major shifts have occurred in the fisheries and aquaculture programme. There are, however, a number of activities that have been accorded increased priority by COFI, and to which additional resources have been allocated without compromising the implementation of other activities.

98. Areas of increased priority include: technical assistance for the implementation of the Code of Conduct for Responsible Fisheries, in particular for small-scale fisheries; aquaculture production, particularly in Africa; ecosystem approach to fisheries and aquaculture management; fight against illegal, unreported and unregulated (IUU) fishing, including capacity building in developing countries in the field of monitoring, control and surveillance (MCS); assistance to developing countries in post harvest and trade; and implementation of the strategy for statistics.

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

99. The collaborative and normative nature of the work undertaken in this Strategic Objective, as well as the continued high demand for this work by countries, prevent major shifts of resources from biennium to biennium. Nonetheless, 2010-11 will herald the creation of EMPRES Food Safety. This work will complement the existing EMPRES areas (animal health, plant health) and ensure full coverage of the food chain. An area receiving slightly less emphasis under the net appropriation is FAO's work on capacity building of developing countries in food quality and safety, including improved participation in Codex work, for which increased voluntary contributions will be sought in the coming biennium.

Strategic Objective E - Sustainable management of forests and trees

100. Strategic Objective E and its priorities derive from the FAO Forestry Strategy which was developed through a long participatory process including the Regional Forestry Commissions, the Committee on Forestry, Member States and other stakeholders.

101. Areas of increased emphasis for 2010-11 include: reliable information about forests through the national forest monitoring and assessment and the global forest resources assessment; assistance to countries in national forest programmes and policies, including direct assistance through the National Forest Programme Facility; sustainable forest management as a basis for improving forestry, especially aiming at enhancing rural livelihoods; and reducing deforestation and forest degradation in order to mitigate climate change and improve adaptation of forests to climate change through sustainable forest management. Forestry research and education, where FAO has less comparative advantage and, where work is carried out in partnership with other forestry organizations, will be de-emphasized.

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

102. Strategic Objective F addresses major new challenges for food and agriculture arising from external factors, which can only be adequately met with additional core voluntary contributions. Areas of increased emphasis for 2010-11 include: support to the monitoring and implementation of international instruments and guidelines relevant to sustainable water and land management, biodiversity, genetic resources, ecosystem services, climate change and bioenergy. The increasing demand for assistance to countries in these technical areas prevents de-emphasizing any of the technical areas covered under the Objective.

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

H - Improved food security and better nutrition

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

103. Strategic Objectives G, H and K are closely related. During 2010-11, priority will be given to work on: smallholders; rural development; statistics (for which four new positions have been created); and implementation of the voluntary guidelines to support the progressive realisation of the Right to Adequate Food in the context of national food security. Nutrition policy is now more closely integrated with food security policy.

104. Increases in priority areas of work will be offset by some reductions related to work on commodities and perspective studies. Support to food composition work at national level has been eliminated with concentration on regional food composition capacity building. There will also be a de-emphasis of country-level project activities in favour of higher-level strategic policy work and more collaboration with implementing partners who have stronger presence at country level (WFP, UNICEF, civil society).

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

105. In 2010-11, Strategic Objective I will focus on: areas where FAO can make the greatest difference while ensuring that countries' capacities are strengthened to prepare for, and respond to emergencies; and developing an operational model that will strengthen the transition and linkages to development programmes. Collaboration with World Food Programme (WFP) is particularly important in the implementation of this Strategic Objective. The increase in net appropriation resources reflects the participatory and multi-disciplinary approach adopted in formulating the Strategic Objective, to protect and restore livelihoods and food security in emergencies. It also reflects the renewed emphasis put on disaster risk management from early warning, preparedness and prevention, to transition to development.

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

106. The shift in emphasis in FAO's support to investment in agriculture and rural development, following the recommendations of the IEE, is toward more upstream sector work and capacity building on investment planning relative to the traditional work on project preparation.

Functional Objective X – Effective collaboration with Member States and stakeholders

107. The apparent shift of net appropriation resources out of Functional Objective X reflects the mainstreaming of some work related to the Core Functions, in particular on international instruments and statistics, in the new planning framework. In the old framework, most of the work related to Core Functions was delivered through purpose-specific programme entities. However, the shift was partially offset by the introduction of additional requirements under Functional Objective X linked to the implementation of the Immediate Plan of Action.

Functional Objective Y – Efficient and effective administration

108. 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. The overall increase in the Net Appropriation resources of USD 6.1 million in Functional Objective Y is a combination of a reduction in resources due to ongoing efficiency improvements (USD 1.6 million) which is more than offset by an allocation of resources for implementation of the IPA (USD 7.7 million), many of whose actions fall within the administrative area.

II. Impact of Reforms in the Organization

A. IMPLEMENTATION OF THE IMMEDIATE PLAN OF ACTION (INCLUDING THE AGREED RECOMMENDATIONS IN THE ROOT AND BRANCH REVIEW)

109. By its Resolution 1/2008, the 35th Special Session of the FAO Conference in November 2008 adopted the Immediate Plan of Action (IPA) for FAO Renewal, to be implemented over the 2009-11 period. It also decided that: *“implementation of the Immediate Plan of Action in 2009 required funding by extra-budgetary contributions, and that its funding for 2010-2011 would be treated under the Programme of Work and Budget”*.

110. Significant progress has already been achieved in this regard, with a sizeable number of actions expected to be fully implemented in 2009, and with IPA implementation as a major feature of the forthcoming 2010-11 biennium.

111. In April 2009, the management consultants Ernst and Young released their report at the conclusion of the IEE-recommended Root and Branch Review (RBR) of mainly administrative processes, and the costs and savings of RBR recommendations have been fully integrated into the IPA plan for 2010-11.

112. Draft 2010-11 IPA funding requirements were presented to the 128th session of the Finance Committee, and were also considered by the Joint Meeting of the Programme and Finance Committees, in July 2009. The Finance Committee *“recognized that certain IPA costs would need to be adjusted if the assumptions, scope or timing behind the costs changed”*⁵ and the Joint Meeting *“noted the Director-General’s commitment to review the assumptions underpinning the costs of the IPA in 2010-11 and adjusting them prior to finalization of the PWB proposals.”*⁶

Review of cost estimates

113. The IPA is an extremely ambitious plan for far-reaching change throughout the Organization and the blueprint for the most comprehensive reform process that any UN organization has undergone to date. In undertaking the review of the 2010-11 IPA cost estimates, consideration was given to the risks inherent in such an ambitious plan, and to the objective of reducing the financial impact of IPA implementation in 2010-11.

114. The review has resulted in a change in the underpinning assumptions of some IPA actions, and reduced scope, extension of timing, or delay in the planned start dates for others. The original three year timeframe for FAO reform has thus been extended for these actions into the biennium 2012-13. Indeed, it is becoming increasingly clear that major reforms of this magnitude cannot be considered as time-bound projects, but must instead be part of an institutionalized process reflecting a need to continually change and adapt to improve the Organization’s efficiency and effectiveness.

115. As a result of the review, the total net estimated IPA costs for 2010-11 have been reduced by USD 21.2 million from USD 59.8 million to USD 38.6 million. Some of the main changes from the 2010-11 IPA costs and savings estimates presented in the draft PWB are:

- Staff rotation – a reduction in the number of staff to be rotated each year from 80 to 25, with an associated cost reduction of USD 6 million;
- Evaluation –going only one-third of the way in 2010-11 toward the IPA target of 0.8 percent of the Net Appropriation devoted to Evaluation over two biennia, thereby reducing estimated 2010-11 costs by USD 0.5 million;

⁵ CL 137/4 paragraph 42

⁶ CL 137/2 paragraph 10

- Management Information Systems (MIS) – an extension of the timeframe for the full development and deployment of MIS into 2012-13, thereby achieving cost reductions of USD 1.5 million;
- Enterprise Risk Management – modification of approach following recommendations of external consultants, yielding cost savings of USD 0.7 million;
- Local procurement – a delay to empowerment of regional and local officers in managing local procurement to start in 2012, with associated cost reductions of USD 1.7 million;
- Culture Change – extension of time frame within which to implement the internal vision, thereby reducing estimated costs by USD 1 million; and
- Management support to IPA – reduction of the management support costs in proportion to the reduced IPA programme for 2010-11, yielding cost savings of USD 1.5 million.

116. It must be emphasized that implementation of the IPA in 2010-11 remains a major and ambitious programme for FAO reform, and the funding required represents an essential investment in the changes needed to make FAO more efficient and effective.

Source of IPA funding

117. Mindful of the paramount importance of the reform process and the request of the Programme and Finance Committees to *guarantee* funding for the IPA, the application of funding sources between the Net appropriation and Core Voluntary contributions has been revised within the overall proposed Net Appropriation of USD 995.9 million (including cost increases). This has been possible due to the reduced IPA cost estimate of USD 38.6 million and an adjustment to estimated cost increases (see Section III.A), while protecting the proposed overall programme of work. As a result, USD 19.5 million of IPA costs (51%) are proposed to be funded from the Net Appropriation and USD 19.1 million (49%) from core voluntary contributions.

118. IPA actions addressing three key priorities of FAO reform (Managing for Results, Functioning as One, and Human Resources reform) have been included under the Net Appropriation, consistent with the priorities established for the IPA actions in 2009.

119. In “Managing for Results”, the Organization will develop Monitoring and Reporting systems to provide key performance information to members, and prepare a new planning and budgeting model and standardized reporting system. A *whole organization* rollout of the staff appraisal system (PEMS) will be undertaken in 2010-11 to complete the “accountability link” between FAO Strategic Objectives and individual staff performance.

120. In “Functioning as One” the Organization will invest in the essential infrastructure to enable staff in decentralized offices to be able to use the same corporate tools and facilities as their colleagues in headquarters. The Organization will also double the number of staff rotating between headquarters and the decentralized offices to ensure a full flow of knowledge and expertise between the offices, enriching the experiences and knowledge of our staff.

121. In “Human Resources reform” the Organization will fully develop a joined up and consistent system for the recruitment and development of young professionals and invest in additional professional staff in the Human Resources division to support their role as business partners to the Organization.

122. TCP-related savings have been re-programmed for use as TCP projects. Similarly, “delaying” savings of USD 17.4 million have been re-allocated within the technical and non-technical departments to priority activities under the new results framework.

123. A full account of all changes introduced as a result of the review of 2010-11 IPA estimated costs and savings is being provided separately to the CoC-IEE Working Groups and to the Finance Committee.

Table 3: 2010-11 Immediate Plan of Action Costs and Savings estimates (in USD 000 at 2008-09 rates)

IPA Project	Net Appropriation	Core Voluntary			Total
		Investment Cost	Recurrent Cost	Recurrent Savings	
1 - Governing Body Reform	2,160	600	1,060	0	3,820
2 - Oversight	1,100	0	300	0	1,400
3 - Reform of Programming, Budgeting and Results Based Monitoring	700	200	100	0	1,000
4 - Resource Mobilization and Management	0	700	700	0	1,400
5 - Technical Cooperation Programme	(620)	0	0	0	(620)
6 - Decentralization	4,600	0	0	0	4,600
7 - Headquarters Structure	250	0	100	(470)	(120)
8 - Partnerships	0	180	1,000	0	1,180
9 - Reform of Administrative and Management Systems	0	2,990	1,510	(3,380)	1,120
10 - FAO Manual	0	0	0	0	0
11 - IPSAS and Oracle	1,625	3,850	125	0	5,600
12 - Enterprise Risk Management	0	900	400	0	1,300
13 - Culture Change	1,950	1,150	0	0	3,100
14 - Human Resources	6,178	980	4,510	0	11,668
15 - IPA - Governing Body Follow-up	0	0	0	0	0
16 - IPA Management Follow-up	1,580	1,580	0	0	3,160
Total	19,523	13,130	9,805	(3,850)	38,608

B. NEW HEADQUARTERS STRUCTURE

124. The IPA called for a comprehensive restructuring of FAO headquarters, to be initiated in 2009 for completion by 2012. It included a tentative revised organizational structure at headquarters, with broad agreement in principle on the “apex” features of a new organigramme. More detailed elaboration of the structure remained to be carried out, based on close consultations between Members and management. This had also to take account of the recommendations from the Root and Branch Review (available at end-April 2009) and the finalization of the results frameworks in the draft Medium Term Plan.

Process

125. The refinement of the structure and mandates of offices has involved both the Secretariat and the CoC-IEE. The Secretariat submitted two comprehensive analytical documents to the joint meetings of Working Groups I and III, with functional statements for the major units as well as many clarifications in response to queries from Members. This work was done with the understanding that consolidated proposals would be included in the PWB 2010-11.

126. Internally, the IPA project on headquarters structure, under the leadership of the Deputy Director-General and involving the Senior Management Team-IPA (SMT-IPA), was tasked with coordinating the supportive functional analysis; defining the roles and responsibilities of the new units at the apex level of the structure, including the two Deputy Directors-General; specifying the roles and divisional structures within departments; and identifying and analysing synergies and opportunities for collaboration between units and across departmental boundaries.

127. This work was guided by the principles for restructuring, as outlined in paragraph 46 of the IPA, in brief: ensuring manageable spans of control; consolidation of units and reducing silos; integration and representation of decentralized offices in senior management decision-making processes; flexible, delayed structures; effective development and use of human resources;

management by results, delegation and accountability; and cost-effective decisions on locations, and where possible sharing services with other UN agencies and outsourcing.

128. The proposed organigramme stemming from this extensive process of review and discussion is provided in *Annex IX*. Furthermore, *Annex IV* provides an overview of resources by department under each objective, and *Annexes VI and VII* provide an overview of resources by organizational unit for, respectively 2010-11 and 2008-09.

129. Some further analyses are underway (e.g. to clarify the administrative and substantive roles among ODG, the DDGs, the ADG Corporate Services, OSP and OCE), the results of which cannot be taken into account in this PWB, so that further changes may need to be reflected at a later stage.

Main features

130. The new structure reduces to seven the number of direct reporting lines to the Director-General. A new executive management team will be led by the Director-General as chief executive officer and include, pending further analysis, the two Deputy Directors-General, representing the knowledge base of the Organization and the operational aspects of its work. This team will be more flexible, while having the responsibility, authority, and functional scope to ensure that decisions on all aspects of the Organization's work are enacted in a timely and effective manner.

131. Among the units reporting to the Director-General are: the Office of Corporate Communications and External Relations; the Office of Strategy, Planning and Resources Management and, with also a direct reporting line to governing bodies, the Office of Evaluation guided by a Charter approved by Council. These are new offices in conceptual terms, while generally incorporating staff from a range of existing units, including the Office of UN Coordination and MDG Follow-up, and the Office of Programme, Budget and Evaluation, which are abolished. While the Ethics Officer will be administratively linked to the Legal Office, the officer will report, and be functionally responsible to, the Director-General. The Office of the Inspector General will continue its present mandate.

132. The DDG Operations is to provide strategic direction to, and oversight of: the Corporate Services, Human Resources, and Finance Department, the Technical Cooperation Department, and all decentralized offices. This is with a view to ensuring the required environment for delivering the Organization's results, including responsibility for Enterprise Risk Management. With respect to decentralized offices, the DDG Operations is to be assisted by the Office of Support to Decentralization (stemming from the ex-OCD). In the wake of the Root and Branch Review, a CIO (Chief Information Officer) division is to report to this DDG.

133. The DDG Knowledge is to provide strategic direction to, and oversight of, the five technical departments of the Organization, fostering integration of technical knowledge and sharing of information, and providing incentives for cross-departmental work. The DDG Knowledge is supported in this work by the Office of Knowledge Exchange, Research and Extension, regrouping staff from various units.

134. The two DDGs will work together to ensure a coherent and joined-up approach to achieving Organizational Results, as well as the resolution of cross-organizational issues.

135. The departmental structure under the apex takes account of functional analyses undertaken in 2009 and will be further informed by ongoing analyses and implementation of the IPA and RBR recommendations. The changes in the proposed departmental structure compared with the current organizational structure can be summarised as follows:

- The Knowledge and Communication Department and the Department of Human, Financial and Physical Resources will be abolished.
- A new Corporate Services, Human Resources, and Finance Department will be established and progressively built over the biennium from: most of the Department of Human, Financial and Physical Resources Department (AF); parts of the Programme and Budget Service (PBEP), specifically functions related to financial forecasting and expenditure performance

against budget; and the major part of the Conference, Council, and Protocol Affairs Division (KCC).

- The Technical Cooperation Department will eliminate the Field Operations Division (TCO). Some of the latter division's activities will be absorbed into a new Unit for Monitoring and Coordination of Field Activities, attached to the Office of the ADG and others will be carried out by an expanded Policy and Programme Development Support Division (replacing the former TCA).
- The Natural Resources Management and Environment Department will continue to focus on the sustainable use of natural resources, coordination of genetic resources for food and agriculture and environmental aspects, including climate change and the challenges and opportunities of bioenergy. The Research and Extension Division will be eliminated and its functions transferred to the Office of Knowledge Exchange, Research and Extension.
- The Agriculture and Consumer Protection Department, and the Economic and Social Development Department will retain their current divisional structures, while significant changes will be implemented below the divisional level by adopting more flexible modalities, facilitated by layering.
- The Fisheries and Aquaculture Department and the Forestry Department will reduce the number of divisions from three to two, while keeping to their existing mandates.

Areas of significant change

136. Four structures and functions that play a crucial role in supporting a more effective and efficient Organization are highlighted and will undergo progressive implementation during 2010-11.

Corporate Services, Human Resources, and Finance Department

137. The structure of this department will continue to be fine-tuned throughout the biennium in line with the Root and Branch Review recommendations, to maximise its capacity to provide support services to Members and staff.

138. In order to reduce the number of units directly reporting to the ADG, it is proposed to transfer the Credit Union's administrative reporting line to the Finance Division, while consideration is also being given to transfer the Medical Service to the Human Resources Management Division, and to revisit the reporting arrangements for headquarters and field security. Further adjustments to the structure may be progressively considered, such as in the placement of the Registry and Archives functions, and rearrangement of some aspects of the human resources management function.

139. In line with the Human Resources (HR) management strategy being put in place under the IPA and set out in Functional Objective Y, the modernisation of the HR function will be an intensive and continuous process over the next two biennia. Reform will take place in a phased approach with detailed results-based work plans with indicators of achievement and targets that enable measurement of progress and oversight, and which dovetail with other areas of IEE follow-up, including the Root and Branch Review and culture change in the Organization.

140. The headquarters portion of the Shared Services Centre will be progressively downsized, through transfer of functions to the Shared Services Centre hub in Budapest (e.g. some areas of procurement work) or to other headquarters divisions (e.g. the Payroll Unit will be transferred to the Human Resources Management Division in 2010).

141. A significant new initiative is the creation of a Business Improvement Unit. This unit will be responsible for drawing together wide-ranging work on streamlining and process improvement, tapping into the knowledge of FAO staff in all locations and taking forward-looking initiatives. It will also be responsible for an overhaul of the FAO Manual, aiming at a simplified framework, so that staff in all locations can understand and comply with FAO's rules and regulations. Communication with staff will play a major part in this process. The unit will play a key role in ensuring that audit and evaluation recommendations are put into operation, that governing bodies' and the UN Joint Inspection Unit's guidance is implemented, and that feedback loops are created. The Business

Improvement Unit will also be responsible for standardising, and keeping inventories of Service Level Agreements.

142. The Root and Branch Review recognised that its recommendations concerning the finance and budget workstream implied a major transition, and that the timing for implementation of the proposed new planning and budgeting model would need to fit within a comprehensive plan over several years. The envisaged transfer of parts of the Programme and Budget Service (PBEP) to the Finance Division will, therefore, be deferred until 2011.

Office of Knowledge Exchange, Research and Extension

143. The new Office will assist the DDG Knowledge on matters related to knowledge exchange, research and extension. It will interact closely with all technical units and decentralized offices, making use of appropriate mechanisms to that effect (working groups, knowledge networks, e-learning, etc.). The Office will lead application of Core Function b) stimulating the generation, dissemination and application of information and knowledge (together with the Statistics Division), and e) providing technical support to promote technology transfer and build capacity.

144. In fulfilling its role, the Office will develop and disseminate normative frameworks and guidelines and facilitate the development and adoption of strategies, policies, methodologies, and standards in knowledge sharing, technology transfer and capacity building. It will facilitate the collection and sharing of technical information via cross-media, multilingual, interactive publishing, and the preservation of FAO's institutional memory in knowledge repositories. It will assist countries in the development of efficient, effective and sustainable national agricultural research and extension systems, and the strengthening of linkages between them and the agricultural producers for the effective assessment, adaptation and adoption of appropriate technologies in agriculture, forestry and fisheries. This will include close interactions with global entities in agricultural research for development such as the Global Forum on Agricultural Research (GFAR) and the Consultative Group for International Agricultural Research (CGIAR).

Role of the CIO Division

145. The consolidation of information systems activities into a single Chief Information Officer (CIO) Division responsible and accountable for delivery of Information Systems (IS) and Information Communications and Technology (ICT) services is in direct response to a major RBR recommendation aimed at reducing fragmentation and duplication. The CIO is to be the principal point of contact for provision of services in these areas and will report directly to the Deputy Director-General (Operations).

146. The vision and architecture for information systems will be developed and kept under review by this division, ensuring effective consultation and support for consistent approaches. The CIO Division will in fact decide on the best common ICT infrastructure, as well as corporate software design, development, and maintenance to insure compatibility with other systems in the Organization. The information systems needs of departments and decentralized offices will be addressed through the close interaction of an IT/IS officer with technical experts. These out-posted officers will report to the CIO Division, while working closely with the unit in which they are deployed. Similar arrangements would apply to regional and subregional offices.

147. Therefore, within the broad area of information management, the information system and technology aspects of data management will be planned, developed and managed through the CIO Division to ensure – at an enterprise level – integrity, integration, inter-operability, security and accessibility across administrative and technical information domains. Overall substantive responsibility and data, information systems and business process ownership would remain in the concerned departments or offices. Final products and content management would also remain under the responsibility of technical departments which will provide needs assessments to the CIO Division, collaborate with the development of the products and endorse the products upon receipt.

Responsibilities for corporate resource mobilisation

148. The responsibility for corporate resource mobilisation will be divided between the Office of Strategy, Planning and Resources Management (OSP) and the Policy and Programme Development Support Division (TCS) in the Technical Cooperation Department.

149. OSP will develop, monitor and report on the corporate resource mobilisation strategy and policy, including Impact Focus Areas. It will manage overall resource requirements (assessed and voluntary) for all activities of the Organization under the Medium Term Plan and the integrated Programme of Work and Budget, and monitor and report on corporate programme implementation.

150. TCS will coordinate and support implementation of the corporate resource mobilisation strategy. It will manage donor relationships and lead fund-raising in Rome and in capitals; support field offices in their fund-raising efforts; develop and promote innovative extra-budgetary funding and implementation arrangements; ensure a good quality pipeline for extra-budgetary funding of technical cooperation; contribute to the field programme management in monitoring all phases of the project and programme cycle; and support budget holders in monitoring the results of extra-budgetary-funded projects and activities of the field programme within the corporate framework on results monitoring and reporting.

C. POST CHANGES

151. The PWB 2010-11 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. *Table 4* provides an overview of the evolution of budgeted posts by location and category from the PWB 2008-09 to the PWB 2010-11.⁷

Table 4: Evolution of posts (post counts by grade category and location)

Grade Category	PWB 2008-09	Change		PWB 2010-11	% change from PWB 2008-09
		Efficiency Savings	Further Implement		
Headquarters					
Professional and above	910	(24)	20	906	(0.4%)
General Service	798	(9)	(20)	769	(3.6%)
Total HQ	1,708	(33)	0	1,675	(1.9%)
Decentralized					
Professional and above	511	0	17	528	3.3%
General Service	846	0	20	866	2.4%
TOTAL DECENTRALIZED	1,357	0	37	1,394	2.7%
ALL LOCATIONS					
Professional and above	1,421	(24)	37	1,434	(0.9%)
General Service	1,644	(9)	0	1,635	(0.5)%
TOTAL	3,065	(33)	37	3,069	(0.1%)

Note: The PWB 2008-09 included 19 outposted headquarters officers in the decentralized post counts. The PWB 2010-11 includes 30 outposted headquarters officers in the decentralized post counts.

152. The staffing proposals are in line with the guidance provided by the 2008 Conference and the June 2009 Council and build on the Headquarters Organizational Structure progress reports provided

⁷ Criteria for post counts in the PWB 2010-11 did not change since 2008-09 and include 1) posts funded from the Net Appropriation and 2) posts funded from Other Income.

to the CoC-IEE Working Groups in 2009. Tentative post counts by division and independent office are available in *Annex X*.⁸

153. The Efficiency Savings column includes the abolition of 13 Director-level positions and the Further Implementation column contains the abolition of a further 27 positions, which concludes the layering of the management hierarchy at headquarters that started in 2008-09. One third of all headquarters Director-level positions have been abolished, increasing accountability at all levels. This, along with other efficiency savings proposals, allowed the Organization to reinvest the freed-up resources, which often resulted in the creation of new, lower-graded positions.

154. The change in General Service post counts results from the abolition of a limited number of headquarters positions due to the decrease in secretarial functions (following abolition of 40 Director-level positions), and the further shift of some Shared Services Centre functions from Rome to Budapest. The latter contributes to the increase in decentralized General Service post counts.

155. 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. Furthermore, the final structure of the new Corporate Services, Human Resources, and Finance Department has not yet been fully elaborated.

156. Progress is being made in more clearly defining the relationship and reporting lines between headquarters and decentralized offices. The PWB 2010-11 proposals include transfers of posts from headquarters to decentralised offices following the implementation of the IPA-recommended new models for TCP and OCD decentralization, and progressive implementation of the reform decentralization model in the Near East region.

D. TECHNICAL COOPERATION PROGRAMME (TCP)

157. IPA action 3.22 calls for TCP resources to be allocated to regions under the authority of Regional Representatives, except for 15% retained under the authority of the Department responsible for Technical Cooperation for use in emergencies, and 3% for inter-regional projects. In endorsing IPA action 3.23, the Conference agreed that the indicative allocations to regions should be the following: Africa 40%, Asia and the Pacific 24%; Latin America and the Caribbean 18%, Europe 10%; and the Near East 8%. The Conference further agreed that these allocations be reviewed by the Council every four years in line with the Medium Term Plan cycle.

158. The capacity of the regional offices to handle this new responsibility for the management of a regional TCP allocation and the related TCP pipeline will be increased through guidelines, training and the provision of additional staff in the regional offices (see *Decentralized Offices Network*).

159. The Conference also requested the Programme Committee and the Council to review the criteria and process for approval of TCP projects based on a delegation of responsibilities to the decentralized offices at the lowest possible level. Proposals to this end were reviewed by the Programme Committee at its 101st Session in May 2009, and approved by the Council at its 136th Session in June 2009 for implementation as from January 2010.

160. The decentralization of responsibility and accountability for the TCP is expected to ensure a more strategic use of its resources and a greater ownership of the TCP on the part of both receiving countries and decentralized offices. However, it will also have an impact on the overall workload of these offices. It will, therefore, be accompanied by the introduction of simplified procedures and quality assurance mechanisms, and will be supported by detailed guidelines, training of all FAO staff involved and helpdesk functions at the regional offices.

161. In addition, the decentralized management of the TCP will be supported by a small unit at headquarters located within the Policy and Programme Development Support Division. This unit will:
i) provide policy and practical guidance to the decentralized offices on all matters related to the TCP;

⁸ In *Annex X*, outposted officers are shown under their HQ divisions.

ii) coordinate the overall monitoring and reporting on the Programme; and iii) be responsible for managing the share of the appropriation earmarked for emergency and inter-regional projects.

162. The recurrent savings of USD 0.9 million per biennium arising from the decentralization of TCP management will be retained under the TCP appropriation for funding TCP projects.

E. DECENTRALIZED OFFICES NETWORK

Overview of changes

163. Over the 2010-11 biennium there will be a strong emphasis on improving the coherence, performance and integration of the current Decentralized Offices (DOs) network and ensuring that the Organization functions as one. The Decentralized Offices organigramme is also provided under *Annex IX*.

164. The regional offices (ROs), working as appropriate with subregional offices (SROs), will progressively take on new responsibilities for: i) overseeing the country offices, including the management of resources of the FAOR network; ii) managing the non-emergency TCP programme in the respective regions; iii) leading the strategic planning, programming and budgeting process for the region; iv) supervising regional technical officers; v) organising and servicing the strengthened Regional Conferences; vi) leading partnerships, particularly with regional organizations; and vii) supporting country offices on matters dealing with UN reforms.

165. DOs will assume their new role in strategic planning and priority-setting at corporate and decentralized level. They will support the development of National Medium-term Priority Frameworks (NMTPFs) and (sub)regional priority areas. They will also take active part in the progressive formulation and introduction of Impact Focus Areas, including implementation of the associated resource mobilisation strategy. Staff in DOs will be trained on results-based management concepts and a new system of operational planning, monitoring and reporting; and benchmarking will be developed and rolled out.

166. Country offices will continue to play a proactive role in the enhanced UN system coherence approaches, including Delivering as One, and FAO will participate in the UN Regional Director Teams that provide support, quality assurance and oversight on programmatic matters for United Nations Country Teams.

167. Subject to further governing body review, the 2010-11 biennium will see a revised mobility and rotation policy that will facilitate staff movements between headquarters and DOs. The new Performance Evaluation and Management System (PEMS) will be rolled out, and job descriptions and the competencies required of staff will be reviewed and strengthened. The current Management and Leadership Programme for staff at P-5 / D-1 level in DOs will be expanded with a curriculum that focuses on building partnerships and strategic skills in management and leadership. An online FAO Virtual Academy will facilitate the delivery of learning programmes at all locations.

168. DOs will be given greater delegated responsibility for procurement. New corporate strategies will be adopted on Information and Knowledge Management, as well as on Capacity Development that will help strengthen the roles of DOs with regard to these core functions. The Wide Area Network connectivity for DOs will be upgraded and IT support to DOs will be enhanced. This will permit nearly all DOs to effectively use corporate systems, including Oracle Enterprise Resource Planning (ERP) System, the administrative Management Information System (MIS), other Web-based applications and Intranet. The upgraded connectivity will also improve communications with headquarters and among DOs through the deployment of high-quality videoconferencing.

169. During 2010-11, the development of a new Field Accounting System based on International Public Sector Accounting Standards (IPSAS) will start. This system will support the financial transaction processing, accounting and reporting requirements of DOs and bring further benefits in terms of controls, financial data availability and asset stewardship.

Review of the composition of regional and subregional office staffing

170. A review of staffing in regional and subregional offices was undertaken, aiming to align the skills mix to regional and subregional priorities under the new MTP and PWB. Some changes and amendments have been proposed in technical disciplines to better match the requirements of the (sub)region. Skills mix changes will be implemented incrementally in the course of the biennium as vacant posts are filled.

171. All RO/SROs have highlighted the need for additional expertise and resources to adequately carry out the programmatic, technical and policy work that is required of them; provide an adequate service to the countries and regional/subregional institutions with which they collaborate; and respond to country and (sub)regional needs. The additional technical skills required vary by office and reflect emerging regional priority areas such as trade, marketing and climate change.

172. Mindful of the guidance provided in the IPA⁹ to assure adequate resources for both the capacities of decentralized offices and headquarters, it has not been possible to shift further technical resources to the RO/SROs in this PWB beyond the finalisation of the reform model in the Near-East region. Options for extra-budgetary funding, to reinforce the technical capacity of regional and subregional offices, could be considered by the concerned Regional Conferences during 2010, also in light of the initial experience of the Impact Focus Areas.

Decentralization of OCD support functions and the TCP

173. As recommended by the IPA, resources related to the transfer of the TCP and OCD's support functions *vis à vis* country offices, have been allocated in the PWB to the regional and subregional offices concerned, on the basis of the expected workload, as well as the structure of the offices, reaching an overall amount of USD 4.7 million.

174. There are USD 0.9 million savings with regards to the decentralization of the TCP support and management,¹⁰ while no savings are expected with regards to the transfer of OCD functions to the regional offices. Particular emphasis will be put on ensuring synergy between new and existing regional office functions to compensate for the loss of the economies of scale inherent in decentralizing functions. It is recognised that these provisional resource allocations may have to be adjusted during implementation.

Country Office Network

175. In the PWB, the FAO Representations are presented in a separate chapter. The resource envelope for 2010-11 remains at about the same level as in the previous biennium, before cost increases. Their actual contributions to the results framework will be further analysed and elaborated during the implementation cycle and detailed in programme implementation reporting.

176. In order to help close the structural deficit of the country office network, the lapse factor has been removed, thereby reducing the annual deficit of USD 2.7 million to USD 1.8 million.¹¹ During 2010-11, and pending Members' further guidance on country coverage, the remainder of the FAOR network deficit will be covered by appointing Emergency Coordinators as Officers-in-Charge of FAO Representations (thus facilitating the link between relief, rehabilitation and development and the integrated budget approach being adopted); outposting of technical officers from regional offices as FAO Representatives; and placing current FAO Representatives against vacant posts in regional offices.

Field visits by Permanent Representatives

177. 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

⁹ C 2008/4 paragraph 45

¹⁰ See *Section II.A* on IPA and RBR

¹¹ See *Section III.A(1)* on Anticipated Cost Increases

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. In the 2010-11 biennium, funds will be provided to cover the incremental costs incurred by the DOs hosting the visits of Permanent Representatives. Depending on the countries to be visited, the size of the teams, and the costs to be covered, it is considered that between five and ten country visits could be handled in the next biennium.

F. LANGUAGE SERVICES

178. The Council, at its 136th Session in June 2009, requested that the funding model for Language Services be changed from back-charging to central funding. The implications of the new proposed model have to be further evaluated in order to see the impact with regards to the split between Regular Budget and extra-budgetary funds, the principle of parity of languages and the available resources. The full implementation of the new funding model might spread over more than one biennium. As mandated by Council, a study will be carried out, in consultation with Members.

G. SAVINGS AND EFFICIENCY GAINS

179. The pursuit of efficiencies has been underway in FAO since 1994 and remains a high priority and ongoing management process. The results of the Organization's efforts to make inputs less costly without a negative impact on outputs, and improve cost recovery for services rendered, has yielded efficiency savings estimated at more than USD 140 million per biennium since 1994. To encourage creative proposals and to provide seed money for developing promising new ideas, an innovation fund and financial incentive scheme were put in place from 2008-09. This section provides an overview of the further savings and efficiency gains achieved in 2008-09 and estimated additional savings that have been factored into the PWB 2010-11.

180. In approving the Programme of Work and Budget 2008-09, the FAO Conference requested the identification of USD 22.1 million in further savings and efficiency gains to be achieved during the biennium, in addition to savings of USD 13 million already factored into the PWB. In achieving the required savings in 2008-09, the Departments/Offices applied five innovative approaches, taking into account recommendations by the Independent External Evaluation (IEE) and the Root and Branch Review, which will continue to be used in 2010-11:

- 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 extra-budgetary resources.

181. *Achieving lower costs of inputs* (estimated biennial savings of USD 7.0 million since 2008). Initiatives begun in 2008-09 that will continue in 2010-11 include: changes in the Basic Medical Insurance Plan (BMIP); a more cost-effective travel services contract; revision to the entitlement travel benefits; transfer of local audit functions; application of lower cost telecommunication technologies; a new enterprise licensing arrangement for corporate and desktop software, increasing electronic distribution of meeting documents and publications; and an inter-agency agreement for purchase of electricity.

182. Two areas of savings related to the FAO Medical Insurance Plans were implemented during 2009 that will result in a savings to the Organization of about USD 1 million in 2010-11. The first was an agreement with the insurer to hold the claims handling and overhead fees at the level of 2007. These fees had been growing at about 5% annually. Savings for 2010-11 are expected to amount to about USD 1.1 million, of which half accrue to the Organization and the other half directly benefit the staff. The second change was made upon the recommendation of the Joint Advisory Committee on Medical Coverage (JAC/MC), which had noted that the current level of the caps on the retirees' contribution was increasingly favouring those with short service periods, compared to the majority of

retirees who had longer careers with the Organizations. Accordingly, the Director-General agreed to the Committee's recommendation to change the ceilings foreseen in the Staff Rules on premiums contributions from retirees to correspond to a minimum pension for approximately 25 years of service. Savings to the Organization for the 2010-11 biennium will amount to approximately USD 0.5 million.

183. Savings based on changes in travel entitlements are dependent on external factors such as market pricing, industry conditions, fuel prices and currency rates. Concerning home leave and family visit travel entitlements, FAO provides an air ticket to staff members for themselves and their dependents, or they may optionally request a lump sum payment in lieu of the tickets provided by the Organization. As a cost saving measure, the lump sum calculation was modified in 2008-09 to 75% of the least expensive, full unrestricted IATA/published economy class fare from the duty station to the closest airport to the home station.

184. To reduce energy costs the Organization joined in an inter-agency agreement for the purchase of electrical energy on the liberalised market. Savings will also arise under the initiative to make FAO's workplace and work practices more environmentally friendly. These include measures to reduce energy consumption through replacement of less efficient light bulbs with new energy-saving bulbs; installation of lighting timers in corridors; and improvements in management of the heating, ventilating, and air conditioning (HVAC) system.

185. *Streamlining of administrative and operational support processes* (expected biennial savings of about USD 2.6 million since 2008). A major change under this category is the decentralization of Technical Cooperation Programme operations to the decentralized offices. In addition to placing decision-making for approval of TCP projects closer to the countries receiving TCP assistance, the cost of programme management, monitoring and coordination of the TCP is expected to decrease by about USD 0.9 million in 2010-11. Other areas of savings include the reduction of external storage costs.

186. *Selective delayering* of Director-level posts at headquarters will yield savings of USD 19.7 million since the exercise started in 2008, of which USD 17.4 million are expected in 2010-11. Delayering entails the reduction of 40 director-level positions at headquarters, as well as a number of associated GS positions that may need to be abolished, downgraded or their functions revised.

187. *Progressively adjusting the human resources input mix* (estimated biennial savings of USD 5.4 million since 2008). Experience in 2008-09 has pointed to the need to carefully manage adjustments to human resources in order to ensure career opportunities for staff and the best mix of staff and non-staff human resources to deliver services. It is also important to ensure that critical institutional technical knowledge is maintained. Part of the savings resulting from delayering will allow the creation of junior professional posts at headquarters and decentralized locations.

188. Another item in this category relates to the construction of an external visitors' reception facility, which is envisaged for completion by December 2009. It will facilitate perimeter controls and permit the elimination of two headquarters' guard posts without compromising current levels of security, with efficiency savings of USD 0.2 million (see *Section III.A*).

189. *Increasing the funding base of the Programme of Work through further extra-budgetary resources* (estimated biennial savings of USD 2.3 million since 2008). Measures include: recovering FAO's cost of processing visa and laissez-passer requests for other Rome-based Agencies; shared funding of posts where extra-budgetary resources contribute directly to the Programme of Work; and ensuring eligible support costs are recovered in line with IPA action 3.16. This will be done in particular through the implementation of UN coherent cost recovery principles and the issuance of relevant guidelines to the decentralized offices involved in operations funded from voluntary contributions.

190. To continue encouraging the identification and implementation of cost saving and efficiency measures, the Innovation Fund established in 2008-09, will continue in 2010-11. Proposed 2010-11 resources for this Fund amount to about USD 1.4 million and the programme will be administered by the Deputy Director-General (Operations). Emphasis will continue to be placed on providing limited seed resources for development of promising efficiency savings ideas.

The move toward one global Shared Services Centre

191. A comprehensive external Root and Branch Review (RBR) of FAO's administrative functions was recommended by the IEE and completed during the period from June 2008 to April 2009. The RBR did not undertake an analysis of the Shared Services Centre in Budapest, but the review nevertheless recommended further assessment of whether Rome-based Shared Services Centre functions could be performed more cost-effectively in Budapest. The study also advised that the Organization reconsider whether it is really necessary to have three hubs in separate geographic zones for the Shared Services Centre.

192. Accordingly, a more detailed review of the Shared Services Centre staffing and reporting lines, also undertaken by external contractors, was initiated during the first quarter of 2009. Following a first phase of analysis completed in mid-2009, the staffing establishment of the Shared Services Centre hub in Rome is proposed to be significantly reduced. This work also recommended the consolidation of the Bangkok and Santiago Shared Services Centre hubs into the Budapest hub. A detailed analysis of the functions currently carried out in those hubs was not undertaken during this first phase of work, and further detailed study of the transaction volumes and work processes in the Shared Services Centre hubs remains to be completed during a second phase.

193. The Finance Committee, at its Hundred and Twenty-eighth Session in July 2009 strongly encouraged the finalization of this internal analysis, especially with regard to the establishment of a single global hub. Finalization of this review is planned for 2010, with some external support and with the full involvement of internal staff – both in the regional offices and the decentralized offices currently serviced by the hubs.

194. It is thus emphasised that this initiative is subject to further detailed review in 2010. It is foreseen that a total of 24 positions could be affected in Bangkok and Santiago, and it is tentatively estimated that the consolidation of the three hubs into one could bring savings in the order of USD 1.8 million per biennium, through favourable staff cost differentials of General Service salaries in the concerned locations and in light of economies of scale that could be achieved by having a single global hub as compared with three separate hubs in distinct time zones.

195. With regard to possible timing of implementation, and subject to confirmation of the first phase's preliminary conclusions during the second phase, a transition to a single global hub could be effected in the second half of 2011, with a view to having one single hub operational towards the end of 2011. One-time transition and redeployment costs would need to be provided for such an initiative, and the extent of such costs would also be dependent upon the lead time available for implementation of the revised model for Shared Services Centre operations.

III. Other Key Financial and Budgetary Dimensions

A. INCREMENTAL BUDGETARY REQUIREMENTS TO EXECUTE THE PROGRAMME OF WORK

196. This section computes the requirements to fully fund the Programme of Work funded through assessed contributions by preserving the purchasing power of the proposed *Net Appropriation* through the estimation of cost increases.

(1) Anticipated cost increases

Methodology and context

197. The methodology for calculating cost increases in the PWB 2010-11 follows the approach previously approved by the Finance Committee, Council and Conference. The cost increase estimates are developed based on actual cost adjustments that have occurred in the current biennium and cost projections for the next biennium, and before the PWB is finalised, the data are updated so as to reflect the most recent cost trends and forecasts. The financial adjustments for the biennium are subdivided into *biennialization* and *inflation*.

198. *Biennialization* reflects the incremental financial effect in 2010-11 of cost adjustments materialising during 2008-09. As such, biennialization objectively reflects the financial impact of events that will have already taken place before the implementation of the 2010-11 budget. Accordingly, the financial implications of biennialization are essentially a matter of fact and arithmetic, not conjecture or long-range planning.

199. *Inflation* represents the cost impact in 2010-11 of those adjustments that are expected to take effect at various points in the next biennium. To assure prudent fiscal management and independent verification, external forecasts from the Economist Intelligence Unit and published data of authoritative bodies such as the International Civil Service Commission (ICSC) continue to be used in arriving at inflation estimates. The planning assumptions are summarised below.

200. The cost increase estimates have been updated since the draft PWB 2010-11¹² considered by the Programme and Finance Committees in July 2009. Two recent developments have resulted in a downward adjustment of USD 5 million in estimated cost increases, related to pensionable remuneration of the professional category, and the biennialized impact of devaluation of the US dollar against local currencies in decentralized offices.

Overview of cost increases

201. The incremental requirements for cost increases to preserve the 2008-09 purchasing power of the proposed *Net Appropriation* in 2010-11 are estimated at USD 49.9 million. This represents an overall increase in costs of 5.3%.

202. Cost increases for the 2010-11 biennium are significantly lower than those estimated for the 2008-09 biennium and are in line with cost increases of previous biennia, as shown in *Table 5*.

¹² PC 102/3 – FC 128/11 (Rev. 1 – English version only)

Table 5: Cost increases time series (USD million)*

Biennium	Total Approved Budget	Of which Total Cost Increases	Percent of Budget Net of Cost Increases
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:

For 2008-09, document C2007/3 Table 5 in paragraph 225 and Conference Resolution 3/2007

for 2006-07, document C 2005/3 footnote 29

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

for 2002-03, derived from C 2001/3 tables in paragraphs 162 and 197

for 2000-01, document C 99/3 table in paragraph 141

203. The estimated cost increases for 2010-11 are summarised by input category in *Table 6*. The estimated cost increases of USD 49.9 million correspond to a biennial cost increase of 5.3% (equivalent to a 3.5% annual increase). Personnel services account for the vast majority (USD 42.9 or 6.2%) of the total cost increases, including a higher than normal increase in the lapse factor of USD 2.6 million (biennial adjustment of USD 0.5 million and removal of lapse factor for FAORs and Liaison Offices of USD 2.1 million). Details of the cost increases are explained below by category.

Table 6: Summary of cost increases under the Net Appropriation in 2010-11 at 2008-09 lapsed rates (USD million)*

	PWB 2010-11 proposed Net Appropriation at 2008-09 costs	Biennialization	Inflation	Cost increases for 2010-11	Percent Cost Increase	Percent of cost increase attributable to each cost component
Personnel Services						
Salaries, Pension Fund Contributions and Allowances	654.2	16.3	19.4	35.7	5.5%	72%
After Service Benefits	37.4	-	4.6	4.6	12.3%	9%
Agreed Termination	4.0	-	-	-	0.0%	0%
Lapse Factor Adjustment	-	-	-	2.6	-	5%
Total Personnel Services	695.6	16.3	24.0	42.9	6.2%	86%
Total Goods and Services	250.2	-	7.0	7.0	2.8%	14%
Budget level for Net Appropriation and additional requirements	945.9	16.3	31.0	49.9	5.3%	100%

* The breakdown of the budget by input category as shown in the column entitled PWB 2010-11 Proposed Net Appropriation at 2008-09 Costs reflects the proposed input mix of the 2010-11 proposal at 2008-09 costs.

Personnel services

204. 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 occur¹³. To mitigate the financial effect of cost increases, the Organization has used the lower figures in the range of assumptions for future inflation, taking into consideration the current economic environment and the volatility of the exchange rates.

205. Personnel services are estimated to increase by 6.2% compared to the previous biennium (or 4.1% per year), and account for USD 42.9 million of the overall cost increases as summarised in *Table 6*. Inflation is USD 24 million (i.e. the cost impact of adjustments that are expected to take effect from January 2010), while biennialization accounts for USD 16.3 million (i.e. the incremental financial effect in 2010-11 of staff cost adjustments that are occurring in the current biennium).

206. The main items that contributed to biennialization of USD 16.3 million arose from:

- the under-budgeting of unit staff cost rates in the current biennium for professional salaries, higher-than-budgeted education grant claims and recruitment and transfer allowances, professional and GS dependency allowances, as well as increases in general service salary and pension costs;¹⁴
- the impact of devaluation of the US dollar against local currencies in decentralized offices, in particular in the first year of the biennium; the provision included in the budget for the adjustment of local currencies against the US dollar in decentralized offices has been reviewed and reduced since the draft PWB; and
- the incremental financial effect of all cost increases that took effect, or are expected to take effect, in the remaining months of 2008-09,¹⁵ with a downward adjustment compared with the draft PWB due to the 31 July decision of the ICSC not to adjust the pensionable remuneration of the professional category in 2009.

207. 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 trends¹⁶ and this leads to variances from the budgetary estimates prepared in advance of the budget implementation.

208. With regards to inflation, a total cost increase of USD 24 million is foreseen for personnel services based on estimates for the various components, including:

- for headquarters general service staff remuneration and pension and professional salaries, an increase of 2% in 2010 and 2.5% in 2011 is foreseen, slightly higher than the Economist Intelligence Unit (EIU) Average Nominal Wages Index forecasts for Italy for 2010 (1.7%) and for 2011 (2.3%), taking into consideration that the official wage index for Italy¹⁷ in 2009 was 2.8% and will be used by the ICSC to determine the salary scales for general service staff in Italy;
- an average of factors such as inflation indexes, exchange rate forecasts and recent past patterns of increases as applied to staff costs for other locations; and
- for current service costs of After-service Medical Coverage (ASMC), Terminal Payments Fund (TPF), Separation Payment Fund for the general service category and Compensation Fund, an increase of USD 4.6 million overall compared to the level based on the actuarial valuations of 31 December 2007 and 2008. Most of the increase is for ASMC.

¹³ Unit staff costs for the PWB are based on actual costs with adjustments in costs materialising during 2008-09 (biennialization) and the forecast of future cost increases (inflation). Actual staff costs are aggregated by geographical region to ensure the calculation of Unit Costs is based on more robust data.

¹⁴ cf. FC 126/2 and FC 128/3

¹⁵ cf. FC 128/INF/6 paper of AFH on ICSC decisions.

¹⁶ cf. FC 113/10 Treatment of Staff Cost Variance

¹⁷ ISTAT *indice delle retribuzioni contrattuali orarie per contratto (impiegati)- industria e commercio - con pesi uguali alla popolazione*

209. A provision of USD 4 million is maintained in budgeted staff costs to take account of the potential costs of agreed terminations, in line with IPA action 3.73 to establish a staff redeployment and separation fund. Staff costs also maintain previously budgeted provisions for rotation based on about 50 staff transfers per biennium. The additional cost of increasing staff rotation in the biennium is shown under the cost of implementing the IPA.

210. For pensionable remuneration of the professional category, 2.4% and 2.3% increases were included for 2010 and 2011 respectively based on the EIU average nominal wages index for the USA. A 6.55% across-the-board increase in August 2008 has also been taken into account under biennialization, while the provision for a 4% increase in August 2009 foreseen in the draft PWB has been removed due to the 31 July decision of the ICSC that no increase will take place in 2009.

211. The Basic Medical Insurance Plan cost increase is assumed in the next biennium with a 6.5% inflation rate for each year. This increase incorporates the latest trends experienced in medical costs versus premiums and is in line with the assumptions of the actuaries in their 2008 valuation on medical inflation. As reported in the *Section II.G* on savings and efficiency gains, some measures implemented in 2009 resulted in efficiency savings and are, therefore, also positively impacting the cost increases. Nevertheless the increase remains above the general consumer price inflation as is expected with medical inflation trends.

Goods and services

212. This cost heading includes Other Human Resources, Travel, General Operating Expenses, Furniture, Equipment and Vehicles, and estimated inflation averages 1.9.% per year, with USD 7 million being required over the biennium (2.8%) to maintain purchasing power of these inputs. This is the result of the weighted average of the estimated Consumer Price Index of the EIU for Italy applied to headquarters-based expenditures and that of the USA and the world for expenditures in decentralized locations.

Lapse factor

213. The lapse factor consists of 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 107th Session for application in the 1996-97 budget has been consistently applied to all budgets since then.

214. The methodology for ongoing posts is based on three factors:

- 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.

215. In accordance with the established methodology, a five-year moving average (i.e. 2004 through 2008 inclusive) has been applied to calculate staff turnover rates. This results in an average turnover rate of 6.85% for professional staff and 6.02% for general service staff. Compared to the five-year moving average used in the PWB 2008-09, the turnover rate has decreased for professionals by 0.06% and increased for general service by 0.32%.

216. 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.

217. 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.

Table 7: 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)	44%	42 weeks or more	26%	25 weeks
Foreseen separations for a limited period (e.g. resignations with notice)	43%	12 weeks	54%	8 weeks
Unforeseen separations	13%	0 weeks	20%	0 weeks

218. These results have been applied to calculate the 2010-11 lapse factor of 2.41% for professional and 1.65% for general service costs respectively. Compared to the percentages used in 2008-09, the lapse factor did not change for the general service category and slightly decreased for the professional category (from 2.51%) as more separations were foreseen during this period. The new lapse factor increases staff costs by USD 0.5 million.

219. In the past, budgeting at standard rates adjusted for the lapse factor has often created unfunded costs in offices with a low number of budgeted vacancies, such as the Country and Liaison Offices, which are not able to “absorb” the lapse factor and, therefore, generally require resources beyond their established budgets. In many instances, the difference in costs between the lapsed rate and the unlapsed rate for filled posts had to be funded centrally, through reprogramming of resources from other areas.

220. The IEE and IPA have defined the FAOR “structural deficit” on the basis of keeping all budgeted FAO Representation positions filled at all times.¹⁸ One approach to closing this deficit would be to do away with the lapse factor adjustment, as recommended by the IEE.¹⁹

221. Based on these factors, the CoC-IEE Working Groups have agreed with management’s proposal to eliminate the lapse factor adjustment for all budgeted posts in the network of FAO Representations. Management proposes to extend this measure to include all budgeted posts in the Liaison Offices, which suffer from similar constraints.

222. Therefore, in the proposed 2010-11 *Net Appropriation* after cost increases, FAOR and Liaison Offices are budgeted at unlapsed rates for the biennium. This adds USD 2.1 million to staff costs (USD 1.8 million for FAORs and USD 0.3 million for Liaison Offices).

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

(2) Immediate Plan of Action and Security Expenditure

Incremental requirements to execute the 2010-11 work programme

224. Incremental requirements beyond the 2008-09 nominal level are foreseen for the Immediate Plan of Action and Security Expenditure.

Immediate Plan of Action

225. As shown in the *Table 8*, USD 4 million of the IPA costs are covered within the level of the 2008-09 appropriation, and the remaining USD 15.5 million are proposed as an incremental requirement within the level of the 2010-11 net appropriation.

¹⁸ C 2008/4 para. 45

¹⁹ C 2007/7 A.1 para. 1207, IEE recommendation 7.3

226. Thus, as described in *Section II.A*, following a review of the assumptions underpinning the IPA costs and a prioritization and sequencing of the actions, USD 19.5 million of the estimated costs for the implementation of the Immediate Plan of Action were brought into the net appropriation, with a further USD 19.1 million to be funded from Core Voluntary contributions.

Table 8: Incremental Requirements in 2010-11 (USD 000 at 2008-09 rates)

Incremental Requirements: Immediate Plan of Action and Security Expenditure	
Immediate Plan of Action	
Total 2010-11 IPA requirements within Net Appropriation	19,523
IPA costs within 2008-09 budget base	4,000
Incremental amount within Net Appropriation - IPA	15,523
Security Expenditure	
Total 2010-11 Security requirements	25,355
Budgeted Security amount from 2008-09	23,292
Estimated carry-over from 2008-09	1,400
Incremental amount within Net Appropriation – Security Expenditure	663
Total Incremental Requirements in 2010-11	16,186

Security Expenditure

227. The Security Expenditure Facility was established by Conference Resolution 5/2005, with the aim of providing comprehensive coverage of staff and non-staff costs directly related to security and safety of the Organization's staff and assets.

228. The basic requirements for 2010-11 are estimated at USD 23.1 million, a decrease of approximately USD 0.2 million from the previous biennium, due to foreseen efficiency savings following the creation of the entrance pavilion at headquarters. However, increased requirements, currently being studied in the context of a recent internal audit review and the broader ongoing discussions within the UN, are estimated at approximately USD 2.3 million, resulting in a total request of USD 25.4 million. For the 2010-11 biennium, it is foreseen that most of the increased requirement would be offset by the expected carry-over from the 2008-09 biennium, leaving an incremental requirement of USD 0.7 million, as shown in *Table 8*.

229. The United Nations Department of Safety and Security continues to report a growing number of threats against the United Nations System. In an effort to gauge its own state of responsiveness, FAO initiated an internal audit of its own security services worldwide. Preliminary results underlined urgent steps to mitigate potential risks to FAO personnel and assets at headquarters and field locations.

230. Improving security at headquarters will require additional resources for enhancing perimeter control, in collaboration with host country authorities. This includes enhancing the physical barriers surrounding the premises, the ability to detect hostile surveillance, improving the capability to staff every access point, and installing and operating updated pedestrian and motorized verification systems.

231. Security measures in decentralized offices necessitate an increased capacity to analyse risks, to train managers in risk management, and to assist field offices with assessing risks to their mandated activities. There will be need to mainstream security requirements into programme formulation and budgeting and apply mitigating measures as in Minimum Operating Security Standards (MOSS) and Minimum Operating Residential Security Standards (MORSS) in accordance with duty station-specific measures, mandated by the UN Security Management System.

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

(1) Overview of Balances on General and Related Funds

232. 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 authorised at a level of USD 25.7 million. Its primary purpose 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; and
- c) the Special Reserve Account (SRA), which is authorised at a level of 5% of the effective working budget (this would be equivalent to USD 38.3 million in the 2008-09 biennium). Established by Conference Resolution 27/77 in 1977 and expanded by Conference Resolutions 13/81 and 17/89 and further guidance from Conference in 2005,²⁰ it 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.

233. The balances on General and Related Funds as at 31 December 2008 (unaudited)²¹ are summarised as follows:

Table 9: General and Related Funds as at 31 December 2008

	USD million
General Fund (deficit)	(412.7)
Working Capital Fund	0.0
Special Reserve Account	15.9
Total General and Related Funds (deficit) at 31 December 2008	(396.8)

234. The net balance on total General and Related Funds at 31 December 2008 represents a decrease of USD 424.2 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 summarised as follows:

²⁰ C 2005/REP para 101

²¹ FC 126/7 page 4

Table 10: General and Related Fund Deficit as at 31 December 2008

	USD million
Total General and Related Fund Surplus as at 31 December 1997*	27.4
Decrease in provisions for Contributions	139.0
Unfunded Past Service Costs for ASMC and TPF	(519.6)
Unbudgeted Expenditures	(59.3)
Other surpluses/deficits 1998-2007 (net)	15.7
Total General and Related Fund Deficit as at 31 December 2008	(396.8)

* C99/5 page 5

Decrease in provisions for Contributions

235. 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 resulted in an improvement in the General Fund balance of USD 139 million.

Unfunded Past Service Costs for ASMC and TPF

236. In the period since 1997 the Organization has progressively recorded the full 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 issued towards funding these liabilities during this period has been USD 519.6 million,²² as at end 2008.

Unbudgeted Expenditures

237. 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 authorised 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 million²³ and USD 8.4 million²⁴ 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 million²⁵ in 2002-03; USD 2.9 million in

²² Total unfunded liabilities reported at 31 December 2008 were ASMC of USD 736.8 million and TPF of USD 50.6 million. These balances also include unrecorded actuarial losses of USD 312.3 million not yet charged against the General Fund offset by the allocation of Long-Term Investments assets set aside to fund the liabilities.

²³ C 2001/5, page 14, note 11

²⁴ C 2003/5, page 10, note 10

²⁵ C 2005/5A, page 12, note 10

2004-05²⁶; and USD 8.2 million in 2006-07²⁷, were charged to the General Fund without matching funding;

- c) unbudgeted current service costs of USD 13.4 million⁷ for ASMC were charged to the General Fund without matching funding in 2006-07; and
- d) a charge of USD 6.4 million²⁸ was made against the Special Reserve Account in 2006-07 for a portion of the unforeseen headquarters' General Service salary increase.

238. While the change in the Organization's accounting policy for provisions against Contributions Receivable from Member Nations has resulted in an improvement in the General Fund balance of USD 139 million, the high level of outstanding assessed contributions continue to be one of the most critical factors impacting the liquidity of the Organization. Total assessments outstanding at 31 December 2008 were USD 160.4 million. Clearly, the Organization remains very vulnerable to cash shortages due to the very high-level of arrears of contributions from previous years, delays in the payment of current assessments, and insufficient cash reserves.

*(2) Requirements to stabilise General Fund deficit
and avoid liquidity shortages*

239. Unless significant measures are adopted by the governing bodies to improve the timing of payment of assessed contributions, restore safety nets such as the Working Capital Fund and the Special Reserve Account, and address unfunded liabilities, the Organization will be unable to improve the future cash flow situation or adequately address the accumulated deficit under the General Fund. This section quantifies the requirements to at least stabilise the General Fund deficit by addressing recurring unfunded liabilities as reflected in the Organization's accounts (past service liability of ASMC and TPF) and restoring safety nets to avoid liquidity shortages by one-time replenishment of reserves (WCF and SRA).

240. In *Table 11*, minimum incremental funding is limited to those areas where the Secretariat has already received positive guidance from the governing bodies, whereas desirable incremental funding to tackle the financial health and liquidity situation reflects the Secretariat's estimation of the actual needs for improving FAO's financial health.²⁹

241. Minimal incremental funding comprises:

- USD 6.4 million to restore to the Special Reserve Account the equivalent charge for a portion of the unbudgeted headquarters' general service salary increase, as already recommended by Council at its 131st session in November 2006; and
- USD 25.2 million³⁰ for the ASMC past service liability, 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*".

242. As summarised in *Table 11*, the requirements for addressing the financial health of the Organization range from USD 31.6 million for minimum incremental funding (in line with guidance from the governing bodies) to USD 163.0 million for desirable incremental funding (being the Secretariat's judgment of the needs for substantially and expeditiously improving FAO's health). Explanations are provided below for each of the elements listed in the table.

²⁶ C 2007/5A, page 12, note 9

²⁷ C 2009/5A, page 7, footnote 6

²⁸ C 2003/5, page 10, note 10

²⁹ The Organization will be carrying out a full review of the function, purpose and accounting treatment of reserves in the context of the implementation of International Public Sector Accounting Standards (IPSAS) and proposals for revision will be presented to the governing bodies.

³⁰ Based on the original amortization period for full funding of 30 years, but with a revised target date of 2038.

Table 11: Incremental requirements for addressing the financial health of the Organization

Elements for improving FAO's financial health, liquidity and reserves	USD million	
	Minimum incremental funding in 2010-11	Desirable incremental funding in 2010-11
Recurring requirements for staff-related liabilities:		
Funding ASMC past service liability	25.2	46.4
Funding TPF past service liability	0.0	29.0
Subtotal recurring incremental funding requirements for staff-related liabilities	25.2	75.4
One-time requirements for replenishment of reserves		
Working Capital Fund	0.0	49.3
Special Reserve Account	6.4	38.3
Subtotal One-time requirements for building up reserves	6.4	87.6
Total incremental requirements	31.6	163.0

Funding the After-service Medical Coverage Past Service Liability

243. 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,³¹ which is a standard component of staff costs and is covered in each biennium's Regular Programme budgetary appropriations.

244. FAO's ASMC past service liability has never been met from the budgetary appropriations or the Programme of Work. While 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). 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 recognised 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 2027 using the original 30-year amortization period which began in 1998.

245. Based on the most recent actuarial valuation, the unfunded ASMC liability at 31 December 2008 totalled USD 736.8 million.³² At its 126th Session in May 2009, the Finance Committee recalled the 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. 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 2010-11 recognising the contribution of active staff participants over time, and the possible revision of the target date for full funding of the liability.

246. A study was undertaken in June 2009 by the Organization's actuaries to assess the impact of changes in the target dates for full funding for the ASMC based on the data, assumptions, and methods used in the 31 December 2008 valuation. The results of that study are summarised in *Table 12*, which highlights that incremental biennial funding required to meet the original target date of 2027 is USD

³¹ 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.

³² Refer to FC126-8 – 2008 Actuarial Valuation of Staff Related Liabilities, page 8, table 4.

46.4 million, while incremental biennial funding based on the originally approved period of 30 years, but now re-set to meet a target date of 2038 is USD 25.2 million.

Table 12: Funding Options for ASMC Past Service Liability

	USD million	
	Current Schedule	Re-set to 30 years
Amortization Period	18 years	30 years
Target Year ³³	2027	2038
Biennial Funding Required from 2010-2011 ³⁴	60.5	39.3
Current biennial funding	14.1	14.1
Incremental funding required	46.4	25.2

247. 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.³⁵

Funding Terminal Payments Fund Past Service Liability

248. Terminal 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. While 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). The unfunded TPF Past Service liability at 31 December 2008 amounted to USD 50.6 million.³⁶ 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.

249. 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. Based on the results of the target date study referred to above, *Table 13* presents the required funding for 2010-11 based on different target dates for achieving full funding. In the table, the desirable incremental funding in order to meet the original target date of 2012 is USD 29.0 million. Since there is presently no funding mechanism for the TPF, and the governing bodies have not yet provided positive guidance on this issue, the minimal funding scenario reflected in the table does not address the funding of this liability in 2010-11. This approach has an adverse impact on the Organization's financial position as outlined above.

³³ For purposes of the study, all options assume a start date for funding of 1 January 2009.

³⁴ Funding requirements recognizes the cross-subsidy of retiree medical claims costs by active staff member contributions (refer FC126-8 para 18-19) and the Organization's matching payments for these active staff.

³⁵ 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.

³⁶ Refer to FC126-8 – 2008 Actuarial Valuation of Staff Related Liabilities, page 8, table 4.

Table 13: Funding Options for TPF Past Service Liability

	USD million		
	Current Schedule	Re-set to 15 years	Re-set to 20 Years
Amortization Period	4 years	15 years	20 years
Target Year*	2012	2023	2028
Biennial Funding Required from 2010-2011	29.0	8.8	7.0
Current biennial funding	0	0	0
Incremental funding required	29.0	8.8	7.0

* Using the original 15-Year amortization period which began in 1998

Replenishment of Working Capital Fund

250. The Organization's recourse to external borrowing to cover liquidity shortfalls is preceded by the full utilisation of the Working Capital Fund (WCF), plus any available balance of the Special Reserve Account. For several years the level of these reserves has proven insufficient to avoid recourse to external borrowing. The Finance Committee has been previously advised that to cope with operating cash requirements in the face of persistent delays in Members' contributions, the WCF should be increased to USD 75 million through a one-time assessment on Members, an amount equivalent to about two months of Regular Programme cash outflow.

251. The current authorised level of the Working Capital Fund of USD 25.7 million is insufficient to cover even one month of cash outflow. Unless Members' contribution payment patterns improve significantly in 2010-11, leaving the WCF at its current level would entail a risk of external commercial borrowing to deliver the approved Programme. A one-time assessment on Members of USD 49.3 million to bring the WCF to USD 75 million is considered desirable, as it would provide a superior safety net prior to recourse to borrowing.

Replenishment of Special Reserve Account

252. The balance on the SRA at 31 December 2008 of USD 15.9 million principally comprised cumulative unrealised exchange gains on the revaluation of non-cash balances and exchange gains recognised on the translation of EUR transactions which are not backed by actual cash resources.³⁷ As has been previously reported to the Finance Committee, the Organization will be carrying out a review of the function, purpose and accounting treatment of reserves in the context of the implementation of International Public Sector Accounting Standards (IPSAS), particularly relating to the transfer of exchange gains/losses to the SRA, and proposals for revision to the SRA will be presented to the governing bodies.

253. As already recommended by the Finance Committee at its 115th Session of September 2006³⁸ and Council at its 131st Session in November 2006³⁹, minimum incremental funding is requested in the amount of USD 6.4 million to restore to the Special Reserve Account the equivalent charge for a portion of the unbudgeted headquarters' General Service salary increase in 2006-07. In considering the matter, the 2007 Conference decided to defer the replenishment of the Special Reserve Account, in the amount of USD 6.4 million, and to revisit this matter at the 2008 Conference.⁴⁰

³⁷ CL 136/8 para 32(j)

³⁸ CL 131/7 para 42

³⁹ CL 131/REP para 37

⁴⁰ Resolution 4/2007

254. Conference Resolution 13/81 specifies that the SRA should be maintained at a level equivalent to 5% of the total effective working budget of the Organization. The previous replenishment of the SRA by special assessment on Member Nations was authorised by Conference in 1991 (Resolution 16/91), for an amount of USD 28 million. It is desirable to replenish the reserve to its authorised 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. Assuming there will be no cash balance left on the SRA by the end of the biennium, this would require an assessment in the order of USD 38.3 million to fully replenish the SRA up to 5% of the working budget (based on 2008-09 approved budget figures).

C. SUMMARY REQUIREMENTS

255. This section provides an overall view of: the funding requirements to execute the 2010-11 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.

256. 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 14*.

Net Budgetary Appropriation – Assessed Contributions

257. The starting point is the 2008-09 budget level of USD 929.8 million net appropriation. Within the base budget, departments have reprogrammed delaying savings to priorities in the new results framework, with some further reallocations for Statistics, Right to Food, Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases (EMPRES), Livestock, Climate Change, Fisheries, Forestry, and some aspects of the IPA such as Evaluation and Ethics.

258. Cost increases are estimated at USD 49.9 million to maintain purchasing power. They consist of USD 40.3 million for staff costs, USD 7.0 million for non-staff costs, USD 2.1 million for lapse factor adjustments for Country and Liaison Offices, and USD 0.5 million for other lapse factor adjustments.

259. Immediate Plan of Action requirements of USD 15.6 million are included under the proposed Net Appropriation as incremental requirements, reflecting three key reform areas of Managing for Results, Functioning as One, and Human Resources reform.

260. Increased Security Expenditure requirements of USD 0.7 million are proposed, being the estimated net cost of measures arising from a recent internal audit review and the broader ongoing discussions within the UN (USD 2.3 million increased cost in 2010-11 offset by estimated USD 1.4 million Security Facility carryover from 2008-09 and USD 0.2 million in efficiency savings).

261. The total proposed net Budgetary Appropriation level to be funded from assessed contributions would be USD 995.9 million, a 7.1% increase over the 2008-09 net Budgetary Appropriation.

Voluntary Contributions

262. 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 1,264.9 million.

- a) *Core Voluntary contributions* of USD 247.2 million, comprising: USD 19.1 million for costs associated with the implementation of the Immediate Plan of Action (USD 13.1 million in investment and USD 6.0 million in recurrent costs), and USD 228.1 million estimated for project and non-project core voluntary contributions in direct support of the Programme of Work.

- b) *Other voluntary extra-budgetary contributions* of USD 1,017.7 million comprising support to the field programme and assistance to Member Nations estimated at USD 372.1 million and emergencies at USD 645.6 million.

Table 14: Cumulative Funding Requirements in 2010-11 (in USD millions, at the 2008-09 budget rate of exchange of 1 Euro = 1.36)

Programme of Work	Amount
<i>Requirements under the net appropriation work programme</i>	
2008-09 Net Budgetary Appropriation	929.8
Cost Increases	49.9
Incremental requirements for IPA and Security Expenditure	16.2
Net budgetary appropriation for 2010-11	995.9
Percent change in Net Appropriation 7.1%	
<i>Requirements under the extra-budgetary work programme</i>	
Core Voluntary	
Immediate Plan of Action - investment costs	13.1
Immediate Plan of Action - recurrent costs	6.0
Other direct support to programme of work	228.1
Total Core Voluntary	247.2
Other Extra-budgetary	
Support to Field Programme/Assistance to Member Nations	372.1
Emergencies	645.6
Total Other Extra-budgetary	1,017.7
Total requirement under Voluntary Contributions	1,264.9
Total integrated programme of work in 2010-11	2,260.8

Improving financial health, liquidity and reserves

263. As requested by the Finance Committee and in line with past PWBs, two sets of measures are presented to stabilise the General Fund deficit and avoid liquidity shortages, ranging from a minimum of USD 45.7 million to a desirable level of USD 177.1 million, which would need to be funded from assessed contributions, as follows:

- recurring incremental requirements to address staff-related liabilities [After-service Medical Coverage (ASMC) and Terminal Payments Fund (TPF) past-service liability] in the range of USD 25.2 million to USD 75.4 million. These figures are in addition to the 2008-09 approved funding level of USD 14.1 million; and
- one-time replenishment of the Working Capital Fund and Special Reserve Account (SRA) in the range of USD 6.4 million (SRA only for the GS salary increase paid in 2006-07) to USD 87.6 million (full replenishment of both).

264. A desirable incremental funding level of USD 163 million would expeditiously improve FAO's financial health in 2010-11. However, minimum incremental funding proposals are put forward in line with positive guidance already received from the governing bodies, comprising:

- USD 6.4 million to restore to the Special Reserve Account the equivalent charge for a portion of the unbudgeted headquarters General Service salary increase, as already recommended by Council at its 131st Session in November 2006; and
- USD 25.2 million for the ASMC past-service liability, 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".

265. Table 15 summarises the requirements for improving financial health, liquidity and reserves in 2010-11.

Table 15: Elements for improving FAO's financial health, liquidity and reserves (in USD 000)

Elements	Minimum	Desirable
2008-09 funding for ASMC past service liability	14.1	14.1
Increased ASMC funding requirement in 2010-11	25.2	46.4
First-time provision for TPF liability	0.0	29.0
<i>Requirement for ASMC and TPF past service liability (recurring requirement)</i>	39.3	89.5
Replenishment of the SRA (one-time requirement)	6.4	38.3
Replenishment of the WCF (one-time requirement)	0.0	49.3
Requirements to improve financial health in 2010-11	45.7	177.1

Impact on assessments of cumulative funding requirements

266. As in past biennia, the assessed contributions in 2010-11 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 cumulative funding requirements described in this PWB is outlined below.

267. 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 governing bodies have already recognized the risk to this approach should the level of forecast Miscellaneous Income not be realised, with a consequent adverse affect on the General Fund. In 2008-09, the approved Budgetary Appropriation resolution included a deduction of USD 5 million for estimated Miscellaneous Income, while actual Miscellaneous Income is in the order of USD 1.8 million. Therefore, the Miscellaneous Income estimate for 2010-11 is set at a more realistic level of USD 2.0 million.

268. The overall 2010-11 funding requirement for the budget funded from assessed contributions and for providing minimum funding towards restoring FAO's financial health amounts to USD 1,039.6 million, representing a 10.7% increase in the level of assessments compared with the present biennium, as summarised in *Table 16*.

Table 16: Cumulative assessments (USD million at the 2008-09 budget rate of exchange of 1 Euro = USD 1.36)

	PWB 2008-09 Approved	2010-11 Funding requirements for budget and minimum restoration of financial health
Budgetary requirements at 2008-09 cost levels		929.8
<i>Incremental requirements - Cost Increases</i>		49.9
<i>Incremental requirements IPA and Security Expenditure</i>		16.2
Net budgetary appropriation for implementing Programme of Work	929.8	995.9
Partial funding of ASMC past service liability	14.1	14.1
<i>Minimum incremental requirements for restoring financial health of FAO (increased ASMC and Replenishment of the SRA)</i>		31.6
Assessments for tackling financial health of FAO	14.1	45.7
Total proposed requirements	943.9	1041.6
Miscellaneous Income deduction	(5.0)	(2.0)
Assessed contributions from Members	938.9	1039.6
Increase in assessments in 2010-11 vs. 2008-09		100.7
Percent increase in assessments		10.7%

269. Under the split assessment methodology adopted by Conference Resolution 11/2003,⁴¹ assessments are due in US dollars and Euros, in accordance with the estimated expenditures in each of these currencies.⁴²

270. *Table 17* reflects the overall impact on assessments of the proposed 2010-11 budget and the minimum requirements for tackling the financial health of FAO, compared with the approved US dollar and Euro contributions for 2008-09. It demonstrates that the aggregate increase in assessments of 10.7% comprises a 4.0% increase in US dollar assessments and 16.4% rise in Euro assessments. The Euro portion of the estimated expenditures in 2010-11 for implementing the Programme of Work rises somewhat compared with 2008-09, based on an analysis of past expenditure by currency type, while the Euro portion of the ASMC rises significantly as reported by the latest Actuarial Valuation.

Table 17: Assessed contributions from Members in 2008-09 and 2010-11

Biennium	Funding Level for	USD million at Euro 1 = USD 1.36	USD million	Euro million
2008-09	Implementation of Programme of Work	929.8	432.1	366.0
	- Less Miscellaneous Income	(5.0)	(3.9)	(0.8)
	Funding of ASMC Amortization of past service cost	14.1	5.6	6.2
	Replenishment of the SRA	0.0	0.0	0.0
	Total Assessments paid by Members in 2008-09	938.9	433.9	371.4
2010-11	Implementation of Programme of Work	995.9	434.0	413.1
	- Less Miscellaneous Income	(2.0)	(2.0)	0.0
	Funding of ASMC Amortization of past service cost (minimum recurrent requirement)	39.3	13.0	19.4
	Replenishment of the Special Reserve Account	6.4	6.4	0.0
	Total Assessments proposed to Members in 2010-11	1,039.6	451.4	432.5
	Percent difference from 2008-09	10.7%	4.0%	16.4%
	Percent difference from 2008-09 on programme of work only	7.1%	0.5%	12.9%

271. The above budget figures have been calculated at the budget rate of exchange of the 2008-09 biennium, i.e. Euro 1 = USD 1.36. The estimated US dollar portion of the expenditures for implementing the programme of work is established at 43.6% with the remaining 56.4% in Euro.

272. As per established practice, the budget rate of exchange for the 2010-11 biennium was set according to the rate at the time this document was going to print of Euro 1 = USD 1.385. 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 18* 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 1.385. The estimated US dollar portion of the expenditures for implementing the programme of work under the new budget rate of 1.385 is established at 43.1% with the remaining 56.9% in Euro.

⁴¹ Financial Regulation 5.6 refers

⁴² Planned expenditures in most offices outside headquarters are included in the US dollar share

Table 18: Impact of the change in the budget rate of exchange under split assessment (USD/Euro million)

	Euro 1 = USD 1.36	Euro 1 = USD 1.385
Assessments due in US dollars for 2010-11 programme of work	USD 434.0	USD 434.0
Assessments due in Euro for 2010-11 programme of work	Euro 413.1	Euro 413.1
Assessed contributions due in US dollars	USD 434.0	USD 434.0
Assessed contributions due in Euro and expressed in US dollars at two distinct budget rates of exchange	USD 561.9	USD 572.2
Total expressed in US dollars	USD 995.9	USD 1,006.2
*Before miscellaneous income deduction of USD 2 million which is estimated 100% in US dollars		

D. CHAPTER STRUCTURE

Background

273. Financial Regulation III on the budget states that biennial budget estimates shall be prepared by the Director-General on a programme-budget basis, divided into chapters and programme objectives and, where necessary, into programmes and sub-programmes. The budget is voted by the Conference through a Budgetary Appropriations Resolution at chapter-level.

274. Financial Regulation IV on appropriations provides for the financial management of the appropriations voted, including the responsibility of the Director-General to manage the appropriations so that obligations and expenditures follow, in general, the financial plans contemplated by the PWB approved by the Conference, and the requirement that transfers between chapters be approved in advance by the Finance Committee or Council.

275. It is recalled that for the biennia 2000-01 to 2004-05, the Appropriations Resolution had seven Chapters. For the 2006-07 biennium, the chapter structure was modified in two ways: i) consolidation of the seven chapters into six linked to Reforms in the Organization (CR 6/2005); and ii) creation of two new special purpose chapters on Capital Expenditure (CR10/2003) and Security Expenditure (CR 5/2005).

276. As discussed with the CoC-IEE Working Groups in 2008, for the purposes of the biennial Budgetary Appropriations Resolution, a new chapter structure needs to be defined from 2010-11 in line with the new results framework. The working groups noted that the chapter structure should: a) clarify the division between technical and administrative costs; b) allow for flexibility to the Director-General to deliver against Strategic Objectives and address any emerging issues; and c) avoid any tendency towards micromanagement by the governing bodies. At the same time, they noted that the chapter structure should permit adequate governing body oversight of significant proposals for resource shifts between priorities.

277. Furthermore, the Finance Committee at its May 2009 session considered that the draft Budgetary Appropriations Resolution would need to be presented differently than in the past, in order to realign it with the newly defined Strategic and Functional Objectives, while ensuring flexibility for effective implementation, and noted that the Secretariat would present such a draft Budgetary Appropriations Resolution to the Committee at its July Session.⁴³

278. On the basis of the principles outlined above, and following the deliberations of the 128th Session of the Finance Committee,⁴⁴ a chapter structure is proposed (similar to Option 1 in the draft PWB) that would align the Appropriations Resolution and the PWB structure with the results-based programming framework.

⁴³ CL 136/8, para. 63

⁴⁴ CL 137/4, para. 43

Proposed Budget Chapter Structure

279. The structure would be formulated with one chapter for each Strategic and Functional Objective (13 chapters), and five chapters for special items (FAOR, TCP, Capital Expenditure, Security Expenditure, and Contingencies), as shown in *Table 19*, compared with the 2008-09 Chapter structure.

Table 19: Proposed Budgetary Chapter Structure

Chpt	PWB 2008-09	PWB 2010-11
1	Corporate Governance	A - Sustainable intensification of crop production
2	Sustainable Food and Agricultural Systems	B - Increased sustainable livestock production
3	Knowledge Exchange, Policy and Advocacy	C - Sustainable management and use of fisheries and aquaculture resources
4	Decentralization, UN Cooperation and Programme Delivery	D - Improved quality and safety of food at all stages of the food chain
5	Management and Supervision Services	E - Sustainable management of forests and trees
6	Contingencies	F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture
7		G - Enabling environment for markets to improve livelihoods and rural development
8	Capital Expenditure	H - Improved food security and better nutrition
9	Security Expenditure	I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies
10	Transfer to Tax Equalization Fund	K - Gender equity in access to resources, goods, services and decision-making in the rural areas
11		L - Increased and more effective public and private investment in agriculture and rural development
12		X - Effective collaboration with Member States and stakeholders
13		Y - Efficient and effective administration
14		FAOR Programme
15		Technical Cooperation Programme
16		Contingencies
17		Capital Expenditure
18		Security Expenditure
19		Transfer to Tax Equalization Fund

280. The overall purpose of this new structure would be to clearly link the budget to the Programme of Work to be carried out under the results-based framework at the Objective level. Technical work and other substantial work carried out in support of the Core Functions are distinguished in separate Chapters (1 through 12), and the administration and overhead costs are located in Chapter 13 (FO Y). The FAOR Representations and the Technical Cooperation Programme are presented in separate chapters for budgetary purposes as explained below. The special purpose chapters on Contingencies, Capital Expenditure and Security Expenditure remain, but with new chapter numbers (16, 17 and 18), in line with the current Financial Regulations.

281. The FAOR programme and TCP are presented in separate Chapters for budgetary planning purposes only. During implementation, the contributions of FAOR and TCP activities to the Strategic and Functional Objectives under the results framework will be monitored and allocated to Strategic and Functional Objectives in implementation reporting.

282. Furthermore, it is foreseen that FAOR resources will 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. This integration will begin in 2012-13, and may take more than one biennium to complete.

283. While the proposed level of disaggregation at Chapter level provides a clear and comprehensive view of budgets and expenditures against the results framework, it is important to ensure that management retains sufficient flexibility to deliver against the Strategic and Functional Objectives and to address any emerging issues. At the same time, micromanagement by the governing bodies should be avoided, in particular in relation to the requirement that transfers between chapters be approved in advance by the Finance Committee or Council (FR 4.5b).

284. As part of this proposal, therefore, it is considered essential to include a clause in the Appropriations Resolution which, notwithstanding Financial Regulation 4.5b, would provide flexibility to the Director-General to authorise transfers between budgetary chapters up to a certain percentage. It should be noted that WHO has a similar clause in its appropriations resolution, which provides flexibility of up to 10% to the Director-General.

285. The proposed wording for inclusion in the Appropriations Resolution is as follows:

Notwithstanding the provisions of Financial Regulation 4.5b, the Director-General is authorised to make transfers between budgetary chapters up to an amount not exceeding 5% of the amount appropriated to the chapter from which the transfer is made; all such transfers shall be reported in the budgetary reports for the 2010-11 period; any other transfers required shall be made and reported in accordance with the provisions of Financial Regulation 4.5b.

E. DRAFT RESOLUTIONS FOR ADOPTION BY THE CONFERENCE

Draft Budgetary Appropriations 2010-11

THE CONFERENCE,

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

Having considered the proposed total net appropriation of USD 995,914,000 for the financial period 2010-11 at the 2008-09 rate of Euro 1= USD 1.36 which assumes US dollar and Euro expenditure equal to USD 434,040,000 and Euros 413,142,000;

Having considered that the above net appropriation is equivalent to USD 1,006,241,000 at the budget rate of Euro 1 = USD 1.38 established for 2010-11 after translation of the Euro portion;

1. **Approves** the Programme of Work proposed by the Director-General for 2010-11 as follows:

- a) Appropriations are voted at a rate of Euro 1 = USD 1.38 for the following purposes:

	USD
Chapter 1: A - Sustainable intensification of crop production	50,476,000
Chapter 2: B - Increased sustainable livestock production	32,634,000
Chapter 3: C - Sustainable management and use of fisheries and aquaculture resources	57,210,000
Chapter 4: D - Improved quality and safety of food at all stages of the food chain	25,390,000
Chapter 5: E - Sustainable management of forests and trees	43,660,000
Chapter 6: F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	54,759,000
Chapter 7: G - Enabling environment for markets to improve livelihoods and rural development	41,699,000
Chapter 8: H - Improved food security and better nutrition	60,636,000
Chapter 9: I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,864,000
Chapter 10: K - Gender equity in access to resources, goods, services and decision-making in the rural areas	10,306,000
Chapter 11: L - Increased and more effective public and private investment in agriculture and rural development	38,724,000
Chapter 12: X - Effective collaboration with Member States and stakeholders	217,376,000
Chapter 13: Y - Efficient and effective administration	115,756,000
Chapter 14: FAOR Programme	88,389,000
Chapter 15: Technical Cooperation Programme	111,928,000
Chapter 16: Contingencies	600,000
Chapter 17: Capital Expenditure	23,968,000
Chapter 18: Security Expenditure	24,866,000
Total Appropriation (Net)	1,006,241,000
Chapter 19: Transfer to Tax Equalization Fund	98,092,000
Total Appropriation (Gross)	1,104,333,000

- b) The appropriations (net) voted in paragraph (a) above minus estimated Miscellaneous Income in the amount of USD 2,000,000 shall be financed by assessed contributions from Member Nations of USD 1,004,241,000 to implement the Programme of Work.
 - c) Such contributions shall be established in US dollars and Euro and shall consist of USD 432,040,000 and Euro 413,142,000. This takes into account a split of 43.0% US dollars and 57.0% Euro for the appropriations (net) and of 100% US dollars for Miscellaneous Income.
 - d) An additional amount of USD 39,300,000 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 32.6% US dollars and 67.4% Euro, and shall therefore amount to USD 12,812,000 and Euro 19,125,000.
 - 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 444,852,000 and Euro 432,267,000. Such contributions due from Member Nations in 2010 and 2011 shall be paid in accordance with the scale of contributions adopted by the Conference at its Thirty-sixth 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 7,800,000 has been foreseen for this purpose.
2. Notwithstanding the provisions of Financial Regulation 4.5b, authorises the Director-General to make transfers between budgetary chapters up to an amount not exceeding 5% of the amount appropriated to the chapter from which the transfer is made; all such transfers shall be reported in the budgetary reports for the 2010-11 period; any other transfers required shall be made and reported in accordance with the provisions of Financial Regulation 4.5b.
3. **Encourages** Members to provide voluntary contributions to facilitate implementation of the unified Programme of Work under the Results Framework.

(Adopted on ... November 2009)

Level of the Working Capital Fund

THE CONFERENCE,

Recalling its Resolution 15/91 by which the level of the Working Capital Fund was fixed at USD 25,000,000 as from 1 January 1992,

Recalling further that the authorised level of the Working Capital Fund has since increased to USD 25,678,522 by assessments on new Member Nations in accordance with the provisions of Financial Regulation 6.2 (b) (ii),

Regretting that the Organization remains very vulnerable to cash shortages due to the very high level of arrears of contributions from previous years and delays in the payment of current assessments,

Recognizing that for several years the authorised level of the Working Capital Fund has proven insufficient to avoid recourse to external borrowing in order to implement the approved Programme of Work,

Having considered the recommendations of the Council,

Decides that:

1. The authorized level of the Working Capital Fund shall be USD 75,000,000 as from 1 January 2010, and that:
2. Member Nations shall be reassessed in accordance with the provisions of Financial Regulation 6.2 (b) (iv) and (v) as from 1 January 2010 on the basis of the Scale of Contributions for 2010-11.

(Adopted on ... November 2009)

Replenishment of the Special Reserve Account

THE CONFERENCE,

Recalling that the Conference at its Thirty-fourth Session of November 2007, having considered the proposals submitted by the Director-General to the Finance Committee at its Session of September 2007, and to the Council at its Session of November 2007, for the replenishment of the Special Reserve Account in the amount of USD 6,400,000 which had been charged for a portion of the unforeseen and unbudgeted General Service salary increase of 2006-07, decided to defer the replenishment of the Special Reserve Account, and to revisit this matter at the 2008 Conference (Resolution 4/2007),

Recalling further that the Conference at its Thirty-fifth Session of November 2008, took note that proposals for replenishment of the Special Reserve Account would be submitted to the 2009 Conference through the Programme of Work and Budget 2010-11,

Having considered, in line with the foregoing, the proposals submitted by the Director-General to the Finance Committee at its Session of July 2009, and to the Council at its Session of September 2009, for the replenishment of the Special Reserve Account in an amount of USD 6,400,000,

1. Decides to make a special assessment on Member Nations to provide for the replenishment of the Special Reserve Account, in the amount of USD 6,400,000, payable in two equal instalments of USD 3,200,000 each due on 1 January 2010 and 1 January 2011 respectively;
2. Requests the Director-General to inform the Finance Committee and the Council in the subsequent biennium of the progress made in the replenishment of the Special Reserve Account.

(Adopted on ... November 2009)

IV. Results Frameworks and 2010-11 Resource Allocations

286. Following is the full elaboration of the results frameworks and the planned 2010-11 resource allocation for each Strategic Objective and Functional Objective, which includes:

- the objective title, being the benefits or changes expected to be achieved in a ten-year timeframe in country institutions, the international community or development partners;
- the statement of issues and challenges, being the problem(s) to be addressed, including significant demographic, environmental and macro-economic factors and trends; it highlights key development intervention needs focusing on opportunities for intervention by FAO, through targeted Organizational Results and Primary Tools;
- assumptions and risks associated with the achievement of the objective, assuming the Organizational Results are achieved. Assumptions are hypotheses about risks that could affect the progress or success of a development intervention;
- checklist of the application of the Core Functions to the achievement of each of the Organizational Results;
- Organizational Results, being the outcome, or effects, that are expected to be achieved over a four-year time horizon from the update and use of FAO's products and services;
- indicators, being the quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor;
- baseline, being the value of the indicator measured at the beginning of the period – in this case the beginning of 2010;
- targets, being the value of the same indicator at the end of the two-year PWB and four-year MTP, hence reflecting what is expected to be achieved during those periods; and
- the level of resources (assessed and voluntary) planned for each Organizational Result across the Organization for the 2010-11 biennium.

Also presented are the 2010-11 resource allocations for country offices (FAOR Programme), the Technical Cooperation Programme, Capital Expenditure, Security Expenditure, and Contingencies. As noted in Section III.D, the FAOR Programme and TCP are presented in separate Chapters for budgetary planning purposes only. The contributions of FAOR and TCP resources to the Strategic and Functional Objectives will be allocated in implementation reporting. It is foreseen that FAOR resources will be planned in future biennia directly against the Strategic and Functional Objectives.

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

2010-11 Resources (USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
A01	18,311	6,273	35,627	0	41,900	60,210
A02	13,139	5,616	3,081	3,000	11,698	24,837
A03	6,767	1,365	8,051	0	9,416	16,182
A04	9,278	2,984	16,092	110,000	129,076	138,354
Total	47,495	16,237	62,851	113,000	192,089	239,584

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:

- a) 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.
- b) 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.
- c) 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
- d) 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.

This framework also includes global and regional instruments, treaties, conventions and codes that embody international cooperation for enhancing and sustainably using natural resources, and

reducing risks from, and improving management of transboundary threats to production, environment and human health in an increasingly globalising world.

Crop production intensification relies on an enabling policy and institutional environment, underpinned by capacity building, to be successful. This will require sub-sector analysis of crop agriculture, up-to-date sub-sector information and statistics to underpin the development process, information on the interaction between crops and the environment, on the impact of transboundary pests of crops, on the importance and impact of bioenergy crops, and on ecosystem services.

Assumptions and Risks

- Assumption that demand for food, feed and fibre will continue to grow at the predicted or higher rates, driven by population growth and income, and that countries are committed to developing policies in favour of sustainable intensification of crop production.
- Assumption that climate change will continue to impact crop production, calling for appropriate adaptation and mitigation strategies, technologies and policies.
- Assumption that countries, in partnership with relevant stakeholders, will invest in the development and adoption of technologies and policies for crop production intensification using the ecosystem approach, leading to expansion of choices and diversity of production systems that farmers can use to improve income and health.
- Assumption that national governments, regional organizations and the international community will put in place the technical, institutional, policy and legal measures necessary for the crop sector to effectively, safely and equitably deliver on set national objectives, that FAO is accorded the means to assist them in this effort, and that countries will be in a position to implement internationally negotiated standards and agreements.
- Risk that increasingly volatile energy and input markets will disrupt farming and, through the growing price linkages between inputs and energy commodities, reduce profitability in the absence of suitable response options.
- Risk that political and economic events in vulnerable countries may seriously slow down the transfer and uptake of innovations.
- Risk that the costs and availability of water becomes a major constraint to crop intensification.
- Risk that some countries will not have adequate capacity to collect, verify, analyse, disseminate and exchange information and data, utilising international standards, to effectively facilitate decision-making.

Application of Core Functions to Strategic Objective A

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
A1	x	x	x	x	x	x	x	x
A2	x	x	x	x	x	x	x	x
A3	x	x	x	x	x	x	x	x
A4	x	x	x	x	x	x	x	x

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

Lead Unit: AGP

Indicator	Baseline	Target (4 years)	Target (2 years)
A1.1 New or enhanced national or regional policies, strategies or programmes on food security, sustainable crop	To be determined for sustainable crop production intensification and on crop diversification	10 countries with policies or strategies on sustainable crop production intensification	<i>3 countries with policies/strategies/programmes on sustainable crop production</i>

production intensification or diversification, including responses to climate change	16 national Food Security programmes 4 regional Food Security programmes	33 national Food Security programmes 8 regional Food Security programmes 8 countries with policies, strategies or programmes on crop diversification	<i>intensification</i> <i>27 national Food Security programmes</i> <i>6 regional Food Security programmes</i> <i>2 countries with policies, strategies or programmes on crop diversification</i>
A1.2 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	COAG and CSD
A1.3 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, including through the application of the concept payments for environmental services in agricultural production landscapes	3	8	5

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. Technical advice related to payments of environmental services in selected agricultural landscapes.
11. 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 (4 years)	Target (2 years)
A2.1 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>
A2.2 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>
A2.3 Number of national contingency plans developed for specific pest and disease threats other than desert locust, including weeds and woody plants	0	12	2
A2.4 Number of countries applying preventive locust control systems or area-wide integrated application of the Sterile Insect Technique	Number of countries to be determined for locust 12 countries use the SIT to control fruit flies and moths	24 countries for locusts 15 countries using the SIT	<i>12 countries for locusts 13 countries using the SIT</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. Nuclear strategies to develop tools that allow for the management of plant pests and diseases.
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 (4 years)	Target (2 years)
A3.1 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

A3.2 Countries improving regulatory control of the distribution and use of pesticides in accordance with international codes and conventions	10	30	20
A3.3 Countries establishing or expanding Integrated Pest Management programmes to reduce reliance on pesticides	20	60	40
A3.4 Number of countries that join the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade or take measures for its implementation	128 contracting Parties in 2009. Many contracting Parties that are developing countries have yet to take measures to implement the Rotterdam Convention	140 countries have joined the Rotterdam Convention 20 developing countries have taken measures to implement the Rotterdam Convention	<i>134 countries have joined the Rotterdam Convention</i> <i>10 developing countries have taken measures to implement the Rotterdam 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			
<i>Lead Unit: AGP</i>			
Indicator	Baseline	Target (4 years)	Target (2 years)
A4.1 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</i> <i>5 countries adopted national regulations/policies</i>
A4.2 Number of countries that have developed national PGRFA 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)	10 developing countries 55 National Information Sharing Mechanisms (NISM) for monitoring implementation of GPA-PGRFA	17 developing countries 73 countries update NISMs for monitoring GPA implementation	<i>12 developing countries</i> <i>64 countries update NISMs for monitoring GPA implementation</i>
A4.3 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	To be determined for countries 1 subregion	10 countries 3 subregions	<i>5 countries</i> <i>2 subregion</i>
A4.4 Number of countries that have programmes at community level for management of PGRFA and seed production on-farm, including through Disaster Risk Management (DRM) tools to respond to environmental risks and challenges	0 0	10 countries 7 countries apply Disaster Risk Management tools	<i>5 countries</i> <i>3 countries apply Disaster Risk Management tools</i>

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.

STRATEGIC OBJECTIVE B – INCREASED SUSTAINABLE LIVESTOCK PRODUCTION

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
B01	10,320	3,652	6,635	11,062	21,348	31,669
B02	11,774	1,764	9,267	115,917	126,947	138,721
B03	6,219	864	5,831	0	6,695	12,915
B04	2,392	0	0	0	0	2,392
Total	30,706	6,280	21,733	126,979	154,991	185,697

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.

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 recent 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 World - 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 sector in global food security will thus increase, and innovative public-private partnerships will encourage investments in livestock-related research and extension for development and in national and regional capacity and institution building.
- Assumption that for the foreseeable future, livestock will remain important, and particularly in pastoral areas often the sole livelihood support for large numbers of people.
- Assumption that national governments, (sub)regional organizations and the international community will establish the technical, institutional, policy and legal measures necessary for the livestock sector to effectively, safely and equitably deliver on its objectives and that FAO is accorded the mandate of designing and negotiating such measures.
- Assumption that countries will have adequate capacity to collect, verify, analyse, disseminate and exchange information and data, utilising international standards, to effectively facilitate decision-making.
- Risk that, in the absence of comprehensive effective oversight, improved inter-sectoral collaboration and careful governance, vigorous livestock sector growth will cause harm to society (e.g. marginalization of smallholders), to public health (e.g. (re)-emerging zoonotic diseases) and to natural resources, environment and climate (e.g. livestock genetic diversity erosion, pollution, greenhouse gas emissions, encroachment on natural habitats).
- Risk that an increasingly volatile grain and energy sector will disrupt livestock farming and, through the growing price linkages between grain and energy commodities, reduce livestock sector profitability in the absence of suitable response options.
- Risk that climate change will threaten grassland-based livestock production systems and thus the livelihoods of a large number of vulnerable households.
- Risk that investments in research for development will fall short of generating the technologies required to respond to the challenges of a rapidly changing sector.

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
B1	x	x		x	x	x	x	x
B2	x	x	x	x	x	x	x	x
B3	x	x	x	x	x	x	x	x
B4	x	x	x	x	x	x	x	x

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

Lead Unit: AGA

Indicator	Baseline	Target (4 years)	Target (2 years)
B1.1 Number of countries implementing FAO-advised measures to enhance the efficiency and productivity of their livestock sector	To be determined	50	35

B1.2 Number of national and regional programmes for food security with functioning livestock components	15 national, 4 regional	33 national and 8 regional programmes	<i>20 national and 6 regional programmes</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Livestock sector statistics, information and knowledge that inform and influence decision-makers in both the public and private sectors. 2. Livestock sector analysis, policy and strategic advice, and decision support tools that enable the sector to contribute to economic development, poverty alleviation and improved human nutrition and health, including through enhanced access by livestock producers to expanding and increasingly sophisticated local, regional and international markets. 3. Legislative advice that supports the livestock sector in ensuring its equitable and effective development. 4. Guidance (guidelines, manuals, methodologies, technical reviews, issues and option papers) covering animal nutrition, feeds, animal breeding, husbandry, processing/value adding, animal welfare, animal identification, regulation of the livestock sector, good management practices for responsible intensification and increased efficiency of livestock production (spanning crop-livestock / pasture / aquaculture / agroforestry systems). 5. Livestock components within the national and regional programmes on food security (NPFS/RPFS) with focus on increased productivity, improved incomes and nutritional benefits. 6. Relief and rehabilitation response to natural disasters and man-made emergencies which have an impact on the livestock sector. 7. Investment facilitation for livestock sector development, as guided by sub-sector policies and strategies, including through enhanced public-private partnerships for strengthening livestock services and through formal partnerships among important stakeholders. 8. Capacity building (technical, statistics, policy, legal and institutional) to enhance the livestock sector's contribution to economic development, poverty alleviation and better quality diets. 			
Organizational Result B2 - Reduced animal disease and associated human health risks <i>Lead Unit: AGA</i>			
Indicator	Baseline	Target (4 years)	Target (2 years)
B2.1 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>
B2.2 Number of developing and transition countries implementing national / regional action,	30	100	75

facilitated and supported by FAO for prevention and control of priority animal / zoonotic diseases (domestic terrestrial and aquatic animals, wildlife)			
B2.3 Number of developing and transition countries implementing / investing in a regulatory framework for animal health system governance that emphasises disease prevention and control capabilities and incorporates public-private partnerships and inter-sectoral collaboration requirements (One World - One Health orientated)	20	60	40

Primary Tools for achievement of the Organizational Result

1. Analysis of national animal health systems, including product inspection and hygiene, for guiding design, negotiation and implementation of comprehensive animal health and veterinary public health (zoonotic / food-borne diseases at the production stage) policy, legislation and investment opportunities.
2. Timely information, surveillance, disease intelligence, forecasting, early warning tracing and detection of animal and zoonotic disease threats through the FAO/OIE/WHO Global Early Warning System (GLEWS) on animal / zoonotic, food- and vector-borne diseases (domestic terrestrial and aquatic animals, wildlife).
3. Methods and tools (guidelines, manuals and strategies), instruments, policies, and decision support for prevention, control and elimination of main animal, zoonotic, food-borne and vector-borne diseases and risk communication at national, regional and international levels, and response to animal health crises (e.g. CMC-FC/ECTAD); mainstream One World – One Health concept (domestic animal, wildlife, human and ecosystem health).
4. Regional and subregional mechanisms for collaboration among countries and sectors on contingency planning, prevention and control of transboundary animal and zoonotic diseases, based on the EMPRES platform and the FAO-OIE GF-TADs Initiative.
5. Public-private partnerships, legal instruments and investment strategies for strengthening animal health systems, including private practitioners/service providers and community animal health workers where indicated.
6. Support of: national and regional 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 and zoonotic and food-borne diseases at the production stage, partnership arrangements.

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

Lead Unit: AGA

Indicator	Baseline	Target (4 years)	Target (2 years)
B3.1 Number of countries implementing actions to mitigate the impact of livestock on environment and climate change	5	15	10
B3.2 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>
B3.3 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	1	20	10

Primary Tools for achievement of the Organizational Result

1. Information and knowledge management on: livestock-environment interactions; impacts of climate change on livestock, wildlife, habitat use; technology, institutional, regulatory and policy options for reducing the environmental impact of the livestock sector (including excessive grazing pressure, waste and greenhouse gas emissions, water pollution, forest conversion, land, ecosystem and biodiversity degradation); national and regional capacity building at technical, institutional and policy levels on the livestock-environment interface, vulnerability, mitigation and adaptation strategies.
2. Policies and strategies for enabling the livestock sector adjustment to changing environmental conditions; programmes for adaptation to, and mitigation of, the impacts of environmental and climate change, including assessment of aquaculture habitat degradation affecting fish⁴⁵ production.
3. Investment in livestock-mediated natural resources stewardship with particular attention to industrial systems and extensive, grassland-based systems, including payment for environmental services and focusing on public-private partnerships.
4. Technical and scientific information for underpinning incorporation of livestock sector considerations in international environmental fora (conventions, treaties and agreements).
5. Guidance (guidelines, manuals, methodologies and good management practices, capacity building for extension and advisory services) for improving natural resource use efficiency in livestock production, including use of integrated land/water management (crop-livestock /

⁴⁵ insofar as integrated livestock-fish production is concerned

pasture / aquaculture / agroforestry).

6. Support to countries in the implementation of the Global Plan of Action on Animal Genetic Resources⁴⁶ (GPA–AnGR) through: information and knowledge management, development of tools and guidelines on characterization, monitoring and inventory, sustainable use and conservation, maintenance of a Clearing House Mechanism (Domestic Animal Diversity Information System DAD-IS), advocacy and capacity-building; leading the development and implementation of a funding mechanism; and assistance to countries in institutional, policy and legal development.
7. 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 (4 years)	Target (2 years)
B4.1 Status of negotiation of a 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>
B4.2 World Livestock – flagship publication	None	World Livestock (publication 2013)	<i>World Livestock (publication 2011)</i>

Primary Tools for achievement of the Organizational Result

1. Assembling information 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 consultation(s).
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.

⁴⁶terrestrial animal species only (excluding aquatic animals)

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

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
C01	18,194	6,748	5,081	0	11,828	30,022
C02	7,333	6,648	4,423	0	11,071	18,404
C03	7,312	8,273	15,378	0	23,651	30,963
C04	9,400	5,917	5,164	(0)	11,080	20,480
C05	5,196	3,167	2,373	16,000	21,540	26,736
C06	6,432	4,467	4,049	0	8,515	14,948
Total	53,867	35,219	36,467	16,000	87,685	141,553

Issues and Challenges

The fisheries and aquaculture sector plays an important role in human nutrition, the fight against hunger and poverty and more generally in economic development. The demand for fish and fish products will continue to grow. 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, is called for by the Code of Conduct for Responsible Fisheries (CCRF).

The state of world capture fisheries is far from optimal as reported in the *State of World of Fisheries and Aquaculture* (SOFIA) released in March 2009. Moreover, the problems of fleet overcapacity and illegal, unreported and unregulated (IUU) fishing challenge the international community as it seeks lasting solutions. 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 fill the gap in 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 a large-scale, industrial sub-sector and a small-scale sub-sector. The latter employs 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.

There will continue to be a considerable 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.

A multi-pronged approach is required to enable FAO Members and regional fishery bodies (RFBs) to take the action necessary to facilitate enhanced responsibility and meeting 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-

Other challenges are emerging: the impact of climate change, including the increasing frequency of natural disasters; rising fish prices, fuel dependency and consumption and production inputs costs; the emergence of animal diseases in aquaculture; the increasing influence of retail sector and use of market instruments and certification to promote sustainability and responsible trade; the general deterioration of aquatic ecosystems, both in the marine environment and in inland waters; the need for increased attention to be paid to environmental threats and concerns; and the need for adequate responses to emergencies.

- Assumption that all States give high priority to the implementation of the Code of Conduct for Responsible Fisheries (CCRF).
- Assumption that countries have the will and 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 to collect, verify, analyse, disseminate and exchange information and data, utilizing international standards is available and used for decision-making by countries individually or collectively through regional and global mechanisms.
- Risk that overfishing, overcapacity and IUU fishing will persist, and 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 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.
- Risk that a lack of adequate capacity and non-adherence to standards could lead to inadequate information and jeopardise effective decision-making.

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
C1	X	X	X	X	X	X	X	X
C2			X	X	X			
C3	X	X	X	X	X	X	X	X
C4	X	X	X	X	X	X	X	X
C5		X	X	X	X	X	X	X
C6		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 (4 years)	Target (2 years)
C1.1 Number of countries and RFBs that have developed at least one component of an appropriate policy and 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 countries 6 RFBs	<i>5 countries</i> <i>3 RFBs</i>
C1.2 Number of international fisheries instruments (including international guidelines and legally binding instruments) that have been adopted under the auspices of FAO	To be determined	3 instruments	<i>3 Chair's drafts</i>
C1.3 Number of countries and RFBs whose statistical collection and reporting systems ensure annual reporting at a species level	To be determined	10 countries 6 RFBs	<i>5 countries</i> <i>3 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,

<p>international negotiation, and economic and social aspects of fisheries.</p> <p>7. Production and utilization of timely and reliable information and statistics and citations and other analyses as a basis for policy development.</p> <p>8. Strengthened collaboration with relevant intergovernmental, governmental and non-governmental partners including organizations of fishworkers, fishfarmers and fishing/aquaculture industry.</p>			
<p>Organizational Result C2 - Governance of fisheries and aquaculture has improved through the establishment or strengthening of national and regional institutions, including RFBs</p> <p><i>Lead Unit: FIE</i></p>			
Indicator	Baseline	Target (4 years)	Target (2 years)
C2.1 Number of countries that have strengthened their institutions and institutional arrangements or created new ones, where needed, resulting in significant impact on the governance of the sector	To be determined	10 countries	<i>5 countries</i>
C2.2 Number of RFBs that have conducted assessments of their performance and have taken steps to improve it	To be determined	6 RFBs	<i>3 RFBs</i>
C2.3 Number of new RFBs/Aquaculture networks (AqN) established in response to gaps identified in the governance of shared resources	To be determined	Establishment of 2 RFBs/AqNs	<i>Draft statutes or agreements of 2 RFBs/AqNs</i>
<p>Primary Tools for achievement of the Organizational Result</p> <ol style="list-style-type: none"> 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 to establish 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, 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

Indicator	Baseline	Target (4 years)	Target (2 years)
C3.1 Number of marine and inland stocks or populations that have been assessed using the best scientific evidence available and also taking into account traditional and local knowledge, as appropriate	To be determined	10	5
C3.2 Global mean level of overexploited, depleted and recovering national and international stocks or populations	28%	25%	28%
C3.3 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 countries 6 RFBs	4 countries 2 RFBs

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. Regular reporting on, and assessment of, the state of fish stocks and ecosystems.
3. 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.
4. Partnerships with other UN agencies and relevant IGOs and NGOs. Facilitating and promoting international cooperation in fisheries management through workshops, consultations, creation of networks and other means, including with other sectors where necessary.

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

Indicator	Baseline	Target (4 years)	Target (2 years)
C4.1 Percentage increase in the global aquaculture output and output related to rural development and livelihoods	To be determined	10% increase (global output) 5% increase (output related to rural development)	5% increase (global output) 2% increase (output related to rural)

			<i>development)</i>
C4.2 Percentage decrease in the global use of fishmeal	To be determined	10% decrease	<i>5% decrease</i>
C4.3 Percentage increase in the global consumption of farmed fish products coming from sustainable aquaculture practices	To be determined	10% increase	<i>5% increase</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Promotion of the ecosystem approach to aquaculture (EAA) including biosecurity frameworks, risk assessments, integrated aquaculture, Integrated Coastal Zone Management (ICZM), etc. 2. Capacity building through training programmes, regional workshops to facilitate adoption and implementation of FAO guidelines, focusing on rural sectors, small farmers and women. 3. Support and promotion of small farmers' clusters and associations emphasizing the involvement of women and minorities. 4. Promotion of global, regional and thematic reviews and assessments of the aquaculture sector. 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 to disseminate, collect, manage and utilize relevant data. 7. Improved communication and coordination between regional offices and FAO, as well as between FAO and other regional organisations. 8. Effective work of the 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			
Indicator	Baseline	Target (4 years)	Target (2 years)
C5.1 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 countries	<i>5 countries</i>
C5.2 Number of countries and RFBs having established an operational vessel monitoring system (VMS) to their enhanced capacity for monitoring, control and surveillance (MCS)	To be determined	10 countries 6 RFBs	<i>5 countries</i> <i>3 RFBs</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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 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 (4 years)	Target (2 years)
C6.1 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 countries	<i>5 countries</i>
C6.2 Number of developing countries whose income from national, regional and international fish trade has increased by a minimum of 5%	To be determined	10 countries	<i>5 countries</i>
C6.3 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 countries	<i>5 countries</i>

Primary Tools for achievement of the Organizational Result

1. Provision of support and advice to national, regional and international organizations, including private sector, to improve practices for post-harvest utilization and marketing of fish.
2. Regular assessment and reporting, in particular through the COFI Sub-Committee on Fish 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.

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

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
D01	12,802	3,937	1,474	0	5,411	18,213
D02	3,338	1,164	32	0	1,197	4,535
D03	4,168	1,731	7,682	2,000	11,413	15,581
D04	3,627	0	142	0	142	3,769
Total	23,935	6,832	9,330	2,000	18,163	42,098

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 pre-production 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. The challenges are magnified in many developing countries where: there 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; poverty reduction and socio-economic development are highly dependent on countries' capacities to comply with market requirements for safety and quality; and food-borne diseases remain a major cause of death and illness, particularly among children.

In many developing countries, food safety/quality strategies and action plans also 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 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. 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 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, 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 programmes of food safety/quality management accordingly.

Assumptions and Risks

- Assumption that private food safety and quality standards will not undermine harmonization of official standards with Codex Alimentarius.
- Assumption that improved coordination among increasing numbers of international agencies involved in food standards-setting and food safety capacity building will avert fragmented delivery and reduced efficiency and effectiveness of technical assistance.
- Assumption that long-term planning for food safety and quality management is not undermined by the need to respond to food chain emergencies, but that governments recognize improved collection and sharing of food safety information and strategic development of food control systems as pre-requisites for achieving early detection and prevention of food chain emergencies.
- Risk that political instability and problems of food security may undermine the ability of governments to consistently support food safety and quality programmes.
- Risk that protectionist policies at regional/subregional and/or at national levels undermine multilateral agreements on food safety and quality regulation.
- Risk that separate systems and levels of control for domestic markets and export could give rise to greater and uncontrolled food safety risks for the most vulnerable.
- Risk that investments in food safety research and human resource development will be inadequate to effectively address emerging challenges such as climate change-related effects on food safety and other emerging food safety hazards, evolving production systems, increasing application of private sector standards, etc.

Application of Core Functions to Strategic Objective D

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
D1		X	X		X	X	X	X
D2	X	X		X	X	X	X	X
D3	X	X			X	X	X	X
D4	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

Indicator	Baseline	Target (4 years)	Target (2 years)
D1.1 Number of national contact points that use the “MyCodex” Web page to interact with the Codex Secretariat and other Members	0	80	20
D1.2 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%	At least 60% reporting in all regions	<i>At least 50% reporting in all regions</i>
D1.3 Percentage of	80%	90%	85%

FAO/WHO Expert Body outputs (food safety, quality and nutrient requirements) incorporated or utilized by relevant Codex Committees in the development of relevant of internationally-agreed standards and recommendations			
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Contribution of the Codex Secretariat to support the FAO/WHO Codex Alimentarius Commission. 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. Support for the development of institutional and individual capacities that enhance effective country-level participation in Codex and use of Codex standards. 5. Advocacy for, and management (jointly with WHO) of, the FAO/WHO Codex Trust Fund to support participation of developing countries to regular Codex Sessions. 6. Provision of scientific advice on food safety and quality, including food composition and nutrient requirements, 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), Joint FAO/WHO Expert Committee on Nutrition (JECN) and <i>ad hoc</i> 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			
Indicator	Baseline	Target (4 years)	Target (2 years)
D2.1 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
D2.2 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
D2.3 Number of developing/transition countries with effective institutional mechanisms for ensuring coordinated food control along	30	45	38

the food chain			
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Support for the review, assessment and strengthening of institutional and legislative frameworks for food safety/quality management and control, including consideration of integrated biosecurity systems. 2. Support the development of institutional and individual capacities for identifying emerging issues of food safety, food composition and food biodiversity and for developing scientific advice to support policy decisions. Food production and trade statistics and analysis of market trends, assessment of cost of compliance and economic and social impacts of non-compliance. 3. Facilitate good practices in food safety/quality investment and on enhancing public-private partnerships. 			
Organizational Result D3 - National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms <i>Lead Unit: AGN</i>			
Indicator	Baseline	Target (4 years)	Target (2 years)
D3.1 Number of developing/transition countries that have developed risk-based food safety programmes which apply FAO best practices	17	25	21
D3.2 Number of developing/transition countries that have or are developing efficient and uniform food inspection and certification services meeting international recommendations	37	49	43
D3.3 Number of developing/transition countries that have expanded their food analysis capacities in terms of a wider lists of analytical tests available or upgrading the quality of test results	45	55	50
D3.4 Number of developing/transition countries that have adopted a national food safety emergency response plan as an integrated component of the national disaster and emergency response plan with an action plan for developing the capacities necessary for its effective implementation	10	18	15

D3.5 Number of developing/transition countries that have developed national strategies and implementation action plans for building public awareness and education on food safety and quality, including health and nutritional benefits of local/traditional foods	15	27	24
--	----	----	----

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 subregional 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 (-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 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, 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 reference centres, and to enhance and expand training and capacity building.

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

Indicator	Baseline	Target (4 years)	Target (2 years)
D4.1 Number of developing/transition countries that have developed holistic and integrated strategies and action plans for promoting compliance with good agricultural, manufacturing and hygiene practices based on sound assessments of key sub-sectors	32	44	40
D4.2 Number of countries that comprehensively incorporate food safety/hygiene considerations into programmes of good	25	40	35

practice in primary production			
D4.3 Number of developing/transition countries with programmes of technical assistance to food business in food safety/quality management that incorporate FAO best practices in food safety	34	49	42
D4.4 Number of developing/transition countries with programmes to strengthen the capacity of farmers and businesses to comply with voluntary food quality and production standards and schemes	20	28	24
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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 and schemes and support for developing institutional and individual capacities to implement such standards and schemes for specific quality products. 5. Support for the development of national capacities to promote product and process innovation. 6. Support for national actors and institutions to develop programmes of consumer awareness/education in food safety, biodiversity and its impact on nutrition and other food quality issues. 7. Decision-support tools to inform investment planning in food safety/quality infrastructure. 8. Market studies and identification of emerging market trends, including analyses of the impact of private and voluntary standards on market access. 			

STRATEGIC OBJECTIVE E - SUSTAINABLE MANAGEMENT OF FORESTS AND TREES

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
E01	9,318	23,309	4,743	0	28,052	37,369
E02	5,699	127	1,156	0	1,282	6,981
E03	6,413	12,192	4,315	0	16,507	22,919
E04	5,702	878	5,108	379	6,364	12,066
E05	7,074	4,167	8,765	5,000	17,932	25,005
E06	7,082	4,072	3,876	0	7,948	15,030
Total	41,288	44,744	27,962	5,379	78,084	119,372

Issues and Challenges

The forest sector continues to be 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. Interactions between the forest sector and other sectors are increasingly understood to be the source of both problems and opportunities. 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, energy and water. However, progress towards sustainable forest management remains uneven and the potential for cross-sector synergies, integrated management and landscape approaches is often under-utilized. The continuing loss of forests and forest degradation in many developing countries, especially in tropical regions, is a major issue.

Rural livelihoods often depend on productive 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 help to mitigate climate change, conserve biodiversity, safeguard wildlife habitat and protect land and watersheds.

The challenge for FAO is to assist more countries to improve the management of their forests. 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.

Application of Core Functions to Strategic Objective E

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
E1	X	X			X	X	X	X
E2			X			X	X	X
E3			X	X	X	X	X	X
E4			X		X	X	X	X
E5	X	X		X				
E6			X	X	X	X	X	X

Organizational Result E1 - Policy and practice affecting forests and forestry are based on timely and reliable information

Lead Unit: FOM

Indicator	Baseline	Targets (4 years)	Targets (2 years)
E1.1 Number of countries that complete a comprehensive improved national forest monitoring and assessment (NFMA) meeting FAO standards	9	18	10
E1.2 Number of countries that submit complete reports for the global Forest Resources Assessment (FRA) 2010	130	150	150

Primary Tools for achievement of the Organizational Result

1. Serve as an authoritative global source of information on forests.
2. Prepare and disseminate 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.

Organizational Result E2 - Policy and practice affecting forests and forestry are reinforced by international cooperation and debate

Lead Unit: FOE

Indicator	Baseline	Targets (4 years)	Targets (2 years)
E2.1 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	80 (COFO) 108 (RFC)	100 (COFO) 130	90 (COFO) 120

useful based on structured post-meeting surveys			
E2.2 Number of formal initiatives under Collaborative Partnership on Forests (CPF) undertaken by two or more CPF organizations	2	4	3
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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. 			
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	Targets (4 years)	Targets (2 years)
E3.1 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
E3.2 Number of countries that have updated their forest policies or laws following best participatory practices	20	35	27
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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. 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	Targets (4 years)	Targets (2 years)
E4.1 Number of countries including / adopting FAO guidelines for good practices in forestry	5 fire guidelines 5 planted forests guidelines 0 forest health guide	20 20 15	10 10 5
E4.2 i) Number of countries using FAO community-based fire management approaches and ii) Number of trainers trained	0 0	10 80	5 40
E4.3 Number of countries participating in comprehensive programmes intended to reduce deforestation and forest degradation (REDD)	5	12	8
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Development and use of guidelines for good forest practices through effective stakeholder consultative processes. 2. Support development and implementation of strategies for conservation and sustainable use of forest genetic resources at global, regional and local levels. 3. Support improved forest fire management, including through community-based approaches. 4. Support the development and implementation of national and international financial mechanisms to support sustainable forest management. 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). 			
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	Targets (4 years)	Targets (2 years)
E5.1 Number of countries assisted with forest products and industries strategy formulations, codes, good practices, trade statistics and capacity building in the field of forest harvesting, wood products, non-wood forest products, wood energy, trade, markets, marketing and economics	15	30	20

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.

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	Targets (4 years)	Targets (2 years)
E6.1 Number of countries that are using FAO guidelines, tools and expertise for improved policies and field implementation in conservation and sustainable use of forest biodiversity, watershed management, arid zone forest management and agro-forestry	10	40	20
E6.2 Number of countries that provide reports on the State of the World's Forest Genetic Resources (to be completed by 2013)	0	150	60
E6.3 Number of countries that have adopted FAO guidelines for integrating climate change strategies into national forest policies	0	20	5

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.

**STRATEGIC OBJECTIVE F -
SUSTAINABLE MANAGEMENT OF LAND, WATER AND GENETIC
RESOURCES AND IMPROVED RESPONSES TO GLOBAL
ENVIRONMENTAL CHALLENGES AFFECTING FOOD AND
AGRICULTURE**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
F01	10,348	3,552	7,778	0	11,330	21,678
F02	11,023	3,425	27,328	1,001	31,754	42,777
F03	4,432	4,513	1,159	0	5,672	10,104
F04	4,866	10,746	717	4,000	15,462	20,328
F05	12,102	6,029	8,350	2,000	16,380	28,482
F06	8,786	3,476	762	0	4,238	13,025
Total	51,557	31,741	46,095	7,001	84,837	136,394

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, as well as 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 use 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 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.

Application of Core Functions to Strategic Objective F

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
F1	X	X	X	X	X	X	X	X
F2	X	X	X	X	X	X	X	X
F3	X	X	X	X	X	X	X	X
F4	X	X	X	X	X	X	X	X
F5	X	X	X	X	X	X	X	X
F6	X	X		X	X	X	X	X

Organizational Result F1 - Countries promoting and developing sustainable land management

Lead Unit: NRL

Indicators	Baseline	Target (4 years)	Target (2 years)
F1.1 Number of countries whose land resources databases and geospatial infrastructure meet FAO standards/criteria	To be determined	10 additional countries	5 additional countries
F1.2 Number of countries whose national land use plans, national strategies and national land use legislation are consistent	0	10	5

with FAO guidelines and policies for sustainable land management, including in environments at greatest risk (particularly drylands/ mountains/ coastal zones)			
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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 and land use data at the national level, including through the establishment of appropriate Spatial Data Infrastructures and Standards. 3. Contribute to the preparation of a periodic, high-profile FAO publication on the State of Land and Water Resources (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, notably through GeoNetwork. 5. Contribute to the long-term perspectives, harmonised monitoring, assessment and reporting of trends 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 <i>Lead Unit: NRL</i>			
Indicators	Baseline	Target (4 years)	Target (2 years)
F2.1 Number of countries or river-basin organizations whose water-scarcity coping strategies adopt FAO recommendations	0	8	4
F2.2 Number of institutions which have adopted FAO water productivity enhancement tools and approaches	0	20	8
F2.3 Number of monthly visits to the FAO Water Web site	40,000	60,000	48,000
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Strengthening of 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, 			

<p>economics, forestry, legal, policy and investment units).</p> <p>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.</p> <p>3. Provision of technical support 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.</p> <p>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.</p> <p>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 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). In particular promoting the development of a global early warning system on water quality and quantity through UN-Water.</p>
--

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 (4 years)	Target (2 years)
F3.1 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>
F3.2 Number of operational joint work plans or cooperation arrangements on biodiversity for food and agriculture with international fora, such as the Convention on Biological Diversity, the World Intellectual Property Organization and the International Treaty on Plant Genetic Resources for	0	4	2

Food and Agriculture			
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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, <i>inter alia</i> through the coordination of FAO expertise/cooperation with allies, 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. 			
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 (4 years)	Target (2 years)
F4.1 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	<i>Draft voluntary guidelines</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Support for the development of consensus on voluntary guidelines and policies on responsible governance of tenure 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 (4 years)	Target (2 years)
F5.1 Number of countries that have developed action plans to address the challenges of climate	To be determined	15 additional countries	<i>5 additional countries</i>

change mitigation and adaptation in agriculture			
F5.2 Number of countries that have developed policies, strategies or action plans to address the challenges and opportunities of bioenergy development	To be determined	At least 15 additional countries	<i>At least 7 additional countries</i>
F5.3 Interactions and linkages between food security, sustainable natural resources management, poverty reduction, and sustainable bioenergy development recognised and addressed explicitly in international fora, as well as in existing and new Multilateral Environmental Agreements	The final declaration of the High Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy, June 2008	1. Draft proposal on food security principles and standards related to sustainable bioenergy development submitted to intergovernmental consensus and as basis for amendments of existing Multilateral Environmental Agreements, fostered through relevant international fora. 2. At least 15 developing countries actively engaged in proposed consensus and fostering processes	<i>1. Interactions and linkages between food security, sustainable natural resources management, poverty reduction, and sustainable bioenergy development reflected in the 1st draft standard of the Roundtable on Sustainable Biofuels (RSB) and the first framework of sustainability criteria and indicators of the Global Bioenergy Partnership (GBEP). 2. At least two FAO meetings on bioenergy and food security/poverty standards</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 1. Generation and management of knowledge, data, tools, technologies, approaches, communication for development and extension practices, related to sustainable bioenergy development and climate change mitigation and adaptation, including impact assessments, (climate-related) disaster-risk reduction, and financial implementation mechanisms, such as payments for environmental services. 2. Technical assistance, policy and legal guidance to strengthen countries' capacities related to environmental challenges including climate change impact assessment, mitigation and adaptation, (climate-related) disaster-risk reduction, sustainable bioenergy development and adapted production systems. 3. Training, appropriate information, Web site development and other types of communication and capacity building support related to the challenges of climate change and sustainable bioenergy development. 4. Participation in international dialogues on climate change mitigation and adaptation and sustainable bioenergy development 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.

Organizational Result F6 - Improved access to, and sharing of knowledge, for natural resource management

Lead Unit: OEK

Indicators	Baseline	Target (4 years)	Target (2 years)
F6.1 Number of countries with projects in place to enhance capacities of research and extension systems for sustainable natural resource management	25	35	20
F6.2 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. Technical assistance and policy advice to countries on strengthening national research and extension systems.
2. Development of a coalition with CGIAR, GFAR and other international agricultural research entities for sustainable agricultural development and knowledge availability and transfer.
3. Development of assessment tools and strategies for countries' research, extension systems and communication for development plans in sustainable agricultural development and natural resources management.
4. Facilitation of dialogue to establish functional linkages among stakeholders of agriculture innovation systems.

**STRATEGIC OBJECTIVE G –
ENABLING ENVIRONMENT FOR MARKETS TO IMPROVE
LIVELIHOODS AND RURAL DEVELOPMENT**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
G01	9,240	1,719	12,670	14,862	29,251	38,490
G02	2,786	2,111	8,910	0	11,020	13,807
G03	7,009	1,389	7,869	0	9,257	16,266
G04	20,103	981	1,073	0	2,054	22,158
Total	39,138	6,199	30,521	14,862	51,582	90,721

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.

Application of Core Functions to Strategic Objective G

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
G1	X	X		X	X	X	X	X
G2	X	X	X	X	X	X	X	X
G3	X	X		X	X	X	X	X
G4	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	Targets (4 year)	Targets (2 year)
G1.1 Number of countries and regional or subregional organizations that have implemented policy developments or strategy reforms to help small producers respond and improve their access to output and input markets	0	6 countries and 4 regions or subregions	3 countries and 2 regions or subregions
G1.2 Number of countries that are implementing plans to reorient their extension services to support small producers in exploiting market opportunities.	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 trends 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 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

Indicator	Baseline	Target (4 year)	Target (2 year)
G2.1 Number of requests for FAO analyses of patterns and trends of farm and non-farm employment	0	60	20
G2.2 Number of countries which have developed agriculture programmes and policies that promote approaches to rural employment, access to land and 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 socioeconomic 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 differences.
3. FAO self-assessment, strategy, and work programme on decent rural employment and access to land developed to reflect all relevant FAO technical areas and accessible to countries and partners through the FAO-ILO website and other channels.
4. Policy advice to create both more and better rural employment and access to land in agricultural and non-agricultural rural sectors.
5. Capacity building and advocacy work to support policies that are more conducive to decent rural employment and access to land.
6. Capacity building in data collection and analysis of rural employment, access to land and income issues.

7. ILO standards and conventions (i.e. gender discrimination, child labour, youth employment, occupational health and safety, rural enterprise creation, rights of association, labour standards) and FAO-negotiated and voluntary standards and codes of practice relevant to rural employment and access to land concerns (i.e. chemicals/pesticide use, distribution and disposal, equipment safety, Good Agricultural Practices (GAP), logging, and safety at sea (on board of vessels); maritime convention; code of conduct of responsible fisheries, Voluntary Guidelines for the Responsible Governance of Land and Natural Resources, etc.).
8. FAO-ILO Memorandum of Understanding (2004) and ILO, IFAD, FAO, IFPRI, IFAP, IUF Declaration of intent on cooperation on child labour in agriculture (2007).

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

Indicator	Baseline	Target (4 year)	Target (2 year)
G3.1 Number of countries with strategies for improving agribusiness competitiveness in their agricultural and rural development (ARD) policies	To be determined	10	5
G3.2 Number of countries with institutional mandates for: rural and small producer development; fostering public-private cooperation; and agro-industry sector oversight and coordination	To be determined	6	<i>6 more countries have begun process</i>
G3.3 Number of countries that have official documented mechanisms for including the private sector, including commercially-oriented small producers, in rural development strategies	To be determined	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. Identify sector specific indicators and benchmarks to guide policy development and institutional reform.
4. Promote actions to improve financial services to agribusiness, especially small producers, SMEs and producer organizations.
5. Support governments in formulating strategies and policies for mechanization.

6. Provide guidance on public sector roles and responsibilities for contract intermediation, conflict resolution, and promotion of responsible business practices.
7. Build capacity of organizations that provide support to agricultural SMEs and producer organizations.
8. Support piloting and appraisal of SME value-adding technologies and value-chain innovations.
9. 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

Indicator	Baseline	Target (4 year)	Target (2 year)
G4.1 Trend in the number of page views/visits to FAO web sites containing information on international agricultural commodity markets, trade policy and related trade negotiations issues and their impacts on small producers and rural development	To be determined	Increase/same	<i>Increase/same</i>
G4.2 The number of times in which FAO analysis of international agricultural commodity markets, trade policies and negotiating issues are cited in citation indices relative to comparable international organizations	To be determined	+10%	+5%
G4.3 Percentage of officials receiving FAO training in trade negotiation and in analysis of policy options and trade policy formulation to enhance small producer livelihood and promote rural development giving a positive trainee evaluation	0	80%	80%

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 and legislative development.
8. Advice, training support and assistance on international trade negotiations - workshops, roundtables and technical assistance.

**STRATEGIC OBJECTIVE H -
IMPROVED FOOD SECURITY AND BETTER NUTRITION**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
H01	15,147	1,795	47,616	2,310	51,721	66,868
H02	3,922	2,399	3,520	0	5,919	9,841
H03	3,489	34	2,577	0	2,610	6,100
H04	11,336	1,915	7,628	0	9,543	20,879
H05	23,268	3,459	16,635	(0)	20,093	43,361
Total	57,162	9,601	77,976	2,309	89,887	147,049

Issues and Challenges

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. Food insecurity and malnutrition act as a break on economic development, and ways and means must be urgently found to accelerate reductions in hunger and malnutrition, and to raise levels of food security and nutrition for all.

FAO's most recent estimates put the (rising) number of hungry people at 1020 million in 2009, an increase of more than 180 million since the 1990-92 base period. Moreover, micronutrient malnutrition affects about 2 billion people worldwide - over 30 percent of the world's population. Globally 10 million children die before their fifth birthday every year - over a third caused by undernutrition. One in three developing country children under the age of five – 178 million children – suffer stunting due to poor quality diets and disease.

Exacerbating factors include demographic changes (population growth and urbanization) that increase demand for food and alter dietary patterns at the same time as widespread land degradation, increased smallholder marginalization, transboundary movement of diseases, and environmental pressure. Efforts to overcome food insecurity and malnutrition are made more arduous by the impact of still high and volatile food prices, the present financial and economic crisis, the longer term impact of climate change and climate variation, and the use of food crops as biofuel.

As events in 2008-09 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 security and nutrition 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 security and nutrition 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.

Assumptions and Risks

- Assumption that national governments and the international community create an enabling policy environment and supportive institutional and technical mechanisms to implement cross-

sectoral food security and nutrition policies, programmes and actions.

- Assumption that food security and nutrition issues are normally well-articulated in national exercises such as the PRSP, UNDAF, and in national government priorities.
- Assumption that adequate human resources and budgets are made available by countries and development partners to overcome the constraints to achieving sustainable food security and good nutrition.
- Assumption that there is willingness among concerned national line ministries and institutions and among international agencies and other development partners to work cross-sectorally at all levels.
- Assumption that national information systems have the capacity needed to assess and monitor developments in food security and nutrition, while also providing the necessary data for the compilation of Supply Utilization Accounts and Food Balance Sheets used for the estimation of undernourishment.
- Assumption that countries and development partners provide adequate attention and resources to dietary diversification and nutrition improvement.
- Assumption that households and household members generally have entitlement and access to sufficient economic and physical resources, and awareness of how to efficiently manage such resources for improved food security and better nutrition.
- Assumption that there is a minimum level of awareness of the benefits of a healthy diet leading to greater demand for nutritionally adequate, safe and diverse diets.
- Risk that civil strife, political and economic instability, lack of financial commitment and insufficient policy dialogue hinder the implementation of needed reforms of policies and programmes for improved food security and better nutrition.
- Risk that there is lack of collaboration and insufficient capacity of key stakeholders to effectively participate and contribute to decision-making processes.
- Risk that lack of economic resources and political will may jeopardize targeting of the poor and most marginalized sectors of the society.
- Risk that external factors (water, sanitation, HIV pandemic, tuberculosis, malaria and other diseases) offset dietary improvements and gains in food utilization.

Application of Core Functions to Strategic Objective H

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
H1	X			X	X	X	X	X
H2	X		X	X	X	X	X	X
H3				X	X	X	X	X
H4	X	X			X	X	X	X
H5	X	X	X	X	X	X	X	X

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

Indicator	Baseline	Target (4 years)	Target (2 years)
H1.1 Number of countries' Regional Economic Integration Organisations (REIOs) that have formulated sectoral and cross-sectoral food security	0	(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

and nutrition policies, strategies or programmes (including NPFS/RPFS)			<i>assessments in 3 countries</i>
H1.2 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)
H1.3 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 security and nutrition 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

Indicator	Baseline	Target (4 years)	Target (2 years)
H2.1 Number of countries in which institutions have adopted and applied principles of good governance in the	To be determined	5	3

formulation, implementation or monitoring of food and nutrition policies and programmes			
H2.2 Number of countries that have developed or strengthened legal, institutional, or policy frameworks for the progressive realisation of the right to adequate food	To be determined	10	7
H2.3 Number of countries that have developed human rights-based policies and programmes targeted specifically at food insecure and vulnerable groups	To be determined	10	7
H2.4 Number of countries that have undertaken advocacy, communication and/or education strategies in support of the right to food	To be determined	10	7
H2.5 Number of FAO policy documents that provide ways and means to strengthen global food security governance	0	4	2

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 (including through the FAO-FIVIMS programme).
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 (4 years)	Target (2 years)
H3.1 Number of countries that have incorporated nutrition objectives into sectoral policies and/or into their Poverty Reduction Strategy (PRS)	0	6	3
H3.2 Number of countries that have assessed and analysed the impact of changing food systems on nutrition	0	4	2
H3.3 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 to assessing impact.
2. Household and individual level assessment of the food security and nutrition 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

Indicator	Baseline	Target (4 years)	Target (2 years)
H4.1 Number of countries using FAO guidelines, methodologies or standards for collecting, analysing and disseminating data and statistics on food and agriculture	25	40	35
H4.2 Number of countries	25	55	40

supported by FAO to conduct training in data collection, compilation, analysis or dissemination of food and agricultural statistics			
H4.3 Access to FAO databases and statistical publications as measured by the average number of hits per month on the FAOSTAT Web site	6 million	7 million	<i>6.5 million</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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 better 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			
Indicator	Baseline	Target (4 years)	Target (2 years)
H5.1 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	6 million	<i>5 million</i>
H5.2 Number of FAO flagship publications and peer reviewed books or journal articles on FAO research and analysis on food security, agriculture and nutrition	2 annual FAO 'flagship' publications; 10 peer-reviewed books/journal articles	2 annual FAO 'flagship' publications; 11 peer-reviewed books/journal articles	<i>2 annual FAO 'flagship' publications; 12 peer-reviewed books/journal articles</i>
H5.3 Use by member countries, partners and other stakeholders of FAO's information and knowledge management standards, tools and services	To be determined	To be determined	<i>To be determined</i>

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 analytic information and informed judgement.
4. Conduct household analysis relevant to address rural poverty, food insecurity, income and employment issues.
5. Develop and deliver methods, tools and guidelines to standardize and harmonize food security and nutrition information (FIVIMS, EC/FAO Food Security Programme).
6. Develop global analysis and monitoring services and advocacy for improved decision-making in food security and nutrition (CFS, FAOSTAT, GIEWS, FIVIMS, 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, and systems related to information management and knowledge sharing.
10. Undertake assessments and appraisals of capacity gaps in information and knowledge to strengthen food security and nutrition.
11. Support to national/local capacity development in management and exchange of information and knowledge.
12. Development of platforms for documenting experiences, sharing good practices and lessons learned.

**STRATEGIC OBJECTIVE I -
IMPROVED PREPAREDNESS FOR, AND EFFECTIVE RESPONSE TO,
FOOD AND AGRICULTURAL THREATS AND EMERGENCIES**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
I01	4,391	2,118	3,311	48,685	54,114	58,505
I02	1,934	2,362	1,562	47,317	51,242	53,176
I03	1,072	597	26,018	240,246	266,861	267,933
Total	7,397	5,077	30,892	336,248	372,217	379,614

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 emergencies ranges from sudden-onset natural disasters, chronic disasters (e.g. drought), complex crises (e.g. civil conflict, market shocks) to the consequences of climate variability. Climate change is not only increasing the frequency and severity of natural disasters, but may also affect the incidence of transboundary pests and diseases.

In 2008, the Centre for the Research on the Epidemiology of Disasters reported 321 disasters associated with natural hazards. Climate-related disasters caused nearly three-quarters of the damage inflicted. In 2008, the number of deaths caused by natural hazards was three-times the average for 2000-2007. Complex emergencies continue to affect tens of millions of persons globally. In response to some of these needs, the 2009 UN Humanitarian Consolidated Appeal reported that 30 million people will require assistance at a record high of USD 8.2 billion, as compared with USD 3.8 billion in 2008 for 25 million people.

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 and response 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. Effective support should involve all elements of disaster risk management (DRM), including early warning, contingency planning, disaster risk reduction (preparedness), needs assessment, timely response and support to national DRM planning. Collaboration with primary actors, such as UN agencies and partners (UNISDR, GFDRR), regional organizations, national counterparts and other sectors (e.g. health, education, social affairs) must ensure integrated support at global, regional and national levels.

FAO support to country-level preparedness and emergency response will necessarily be influenced by changing financial and institutional conditions. Funding modalities will continue to evolve to be more diversified and pooled at global and country levels. The high number of UN agencies and NGOs involved in food, nutrition and agricultural emergency and rehabilitation work will create opportunities for collaboration and cooperation, but also coordination challenges, particularly those associated with transition from immediate response and rehabilitation to development. Within the UN system, the existing reform process will offer opportunities for FAO with regard to coordination and leadership on food security and nutrition issues at global, regional and national levels. At country level, the governments of countries experiencing emergency situations will play new and stronger roles in risk reduction and the coordination of external assistance through capacity building of national disaster management institutions.

Assumptions and Risks

- Assumption that Governments assign sufficient priority to capacity building in risk analysis, early warning, contingency planning, preparedness, coordination of response in emergencies and supporting transitions from relief to development programming.
- Assumption that countries support national preparedness and early warning systems, and promote capacity development in community, national, regional and international systems to identify new threats and risks, and related impact and mitigation measures.
- Assumption that cost-effective and sustainable preparedness methodologies are available for implementation in developing countries.
- Assumption that core capacity of FAO technical divisions generally remain consistent with the need to support work in emergencies, rehabilitation and transitions, and to assume leadership when appropriate. FAO will manage food chain emergencies applying the Crisis Management Framework for Preventing and Responding to Transboundary Animal Diseases and Plant Pests and Food Safety Emergencies [CMC for the Food Chain]. FAO will augment its rapid response capacity through the progressive corporate implementation of the Incident Command System (ICS) within the Crisis Management Framework for large emergencies.
- Risk that the number and severity of crises may become far greater than the capacity of the countries and the Organization to respond effectively.
- Risk that the global financial crisis precludes adequate levels of funding for humanitarian relief, recovery and transitions programming in the immediate and near future.
- Risk that FAO may not be able to ensure the integrated and coordinated approach necessary to provide appropriate and timely support across all elements of disaster risk management associated with food and agriculture.

Application of Core Functions to Strategic Objective I

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
I1	X	X	X	X	X	X	X	X
I2	X	X	X	X	X	X	X	X
I3	X	X	X	X	X	X	X	X

Organizational Result I1 – 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

Indicator	Baseline	Target (4 years)	Target (2 years)
I1.1 Number of countries whose national early warning systems for agriculture and food security have shifted from category 2 to category 1 or from category 3 to category 2 established	To be determined	(Number under finalisation)	(Number under finalisation)
I1.2 Number of countries whose contingency plans for agriculture and food security have been tested building from FAO's emergency programme	To be determined	15	10

11.3 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			
<ol style="list-style-type: none"> 1. Early warning systems and preparedness: development and application of services and products for EW food security situation analysis (GIEWS information and tools, GIEWS Workstation, IPC, climate forecasts); products and services supporting assessment and EW systems and food security situation analysis (Livelihood Analysis, Vulnerability Analysis, CFSAM methodology IPC); streamlined/ strengthened/ funded local, national, regional and global early warning systems through appropriate partnerships; developed and implemented FAO Training Package in Disaster Preparedness, internally and with partners; hazard, Livelihood and Vulnerability Baseline methodology; guidelines to build/ strengthen capacity to produce, monitor, analyze and manage early warning data in high risk developing countries with significant vulnerable rural populations; guidelines/ support to contingency planning; FAO response teams established and trained for rapid deployment with core functions delivered for different types of emergencies; agriculture cluster operational including contingency plan and networks in country (including DRM); technical support to emergency preparedness and response provided; development of disaster preparedness plans and practices (to be an inter-agency - UN, NGOs, Governments and donors) exercise with a holistic approach inclusive of local communities; disaster preparedness further mainstreamed in emergency and rehabilitation activities; contingency plan available and owned by the Government; and FAO leadership established for coordination of agriculture-based livelihood and food security. 2. Policy and technical support for integrating risk reduction practices and principles into sectoral policies and programmes, including: FAO and partners (within contingency planning and within cluster groups of UNCT) facilitate Governments to develop DRM strategy and plan (rolling document and linked to the NMTPF), and based on most likely scenarios; DRM mainstreamed in national policies and institutions, with multi-partner collaboration on transition; integrated policy and technical support for integrated risks reduction practices and principles; cost benefit analysis tool developed to support mitigation choices/activities; countries allocate resources to prevention and mitigation and train surge teams or quick intervention leaders; countries allocate resources and implement policies on DRR (evidence-based analysis to contribute to national programming processes and capacity building); best practices on knowledge-sharing and lessons learnt for preparedness, prevention and mitigation communicated through a systematic approach and integrated into projects/programmes. 3. Promoting sustainable natural resource management practices (for example: land, water, watershed, forestry, or coastal areas); farming options development and adoption for Agriculture (forestry, fishery and livestock) in the context of extreme events; support household adaptive capacities through the support to food systems resilience; disease and pest monitoring and control in a crisis context, including climate change; land use planning and tenure in the context of extreme events or encroachment into new habitats; infrastructure and agricultural services (for example, seeds systems, seed storage, vaccine banks and cold chain) development in the context of recurrent crises; infrastructure and appropriately- designed food safety risk management programmes; access to integrated databases for food chain risks; technical advice and/or assistance provided on food security, nutrition and livelihoods in at risk areas and emergency contexts; TECA database on good practices for DRM, particularly good practice options for climate risk management documented in international DRR and CCA databases; developing guidance on the principles of good practice options associated with DRR/DRM and documenting lessons learned from application and replication of context-location specific good practice options at the local level; developing guidance on how to 			

integrate conflict analysis with DRR (focus on complex emergencies and associated rehabilitation); farming good practices adopted; and guidance on how to integrate conflict analysis with DRR.

4. Institutional and technical Capacity building for comprehensive Disaster Risk Reduction (Preparedness prevention and mitigation), including: assessing and enhancing institutional and technical delivery capacities for DRR within sectoral line departments and extension services; capacity building and training (Policy and technical support) for integrating DRR practices and principles into sectoral development plans or country programming exercises (United Nations Development Assistance Framework [UNDAF], National Medium-Term Priority Framework [NMTPF]); EMPRES-led capacity building programme at national and regional levels on risk assessment, management and communication, including the establishment of regional [laboratory] networks [Regional Animal Health Centres] to share information and deliver training; provision of targeted FAO expertise and knowledge products in disaster risk profiling, monitoring and analysis and disaster preparedness and mitigation policies and planning; capacity building programmes (such as EMPRES, GIEWS) at national and regional levels focused on risk assessment, preparedness and contingency planning; internal built capacity on DRR mitigation, at headquarters and at field level; and trained and experienced core staff group in FAO supporting national efforts in capacity building.
5. Advocacy, coordination and provision of inputs to national, interagency and intergovernmental processes, including: participating in inter-agency and intergovernmental processes, and conventions and conferences; contributing to integration of DRR and CCA concepts within UNFCCC process; DRR/DRM advocacy tools focused on Agriculture are used to enhance focus on global DRM agenda (ISDR and UNFCCC) and attract funding for preparedness, prevention and mitigation; and improved communication strategy and dissemination of information CMC Food Chain contributions to improved risk analysis and coordination of food chain risk management in intergovernmental processes.

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 (4 years)	Target (2 years)
I2.1 Number of countries where post disaster needs assessments lead to coordinated national response plans and activities	To be determined	10	5
I2.2 Percentage of countries responding to a new crisis are applying the Cluster approach and implementing agriculture and food security cluster plans that comply with FAO's technical criteria for such plans	To be determined	80%	60%
I2.3 Percentage of countries that have implemented emergency programmes using socio-economic and gender analysis tools that comply with FAO's criteria	To be determined	30%	10%

Primary Tools for achievement of the Organizational Result

1. Improved partnerships, coordination and leadership, including: a) global and country level support for effective cluster leadership; b) relevant, reliable information on food security related to crisis disseminated to the right people at the right time; c) cluster communication and information toolkit developed; and d) active partnership in IASC, UNCT and international and national fora.
2. Advocacy and resource mobilization, including: a) advocacy strategies and tools developed and in place; b) emergencies communication strategy implemented; c) resource mobilization strategy developed for, and with headquarters, liaison and field offices; and d) flexible and fast funding mechanisms established.
3. Standardize protocols and procedures for organized response, assessments, and strategic planning, including: a) coherent Emergencies Handbook developed for FAO; b) active use of internal and external partnerships in well-designed, relevant, timely and multi-disciplinary assessments; c) training programme for partners developed and implemented; d) region-specific, relevant strategic emergency frameworks in place; e) Crisis Management Centre approach for food chain emergencies; f) emergency response system development for FAO rapid response to sudden-onset and large emergencies; g) Emergency Response Roster and surge capacity development; h) Plan of Action Guidelines; i) Livelihood Assessment Toolkit (LAT); j) Resilience Tool; and k) IPC.
4. Standards, "Do no harm" and "building back better" principles, and good practices for response, including various toolkits and guidelines developed for emergencies dependent on the type of emergency (e.g. 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, etc.).
5. Appropriate and timely recovery interventions, including: a) response plan developed based on appropriate partnerships and promoting high quality standards; b) implementation: targeted households have improved conditions compared to pre-emergency; c) project/ programme monitoring aligned with RBM SO I monitoring; d) enhanced capacity of partner institutions, organizations and households for direct emergency response; and e) 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 (4 years)	Target (2 years)
I3.1 Number of countries that have experienced at least 10% increase in the level of funding provided to agricultural transition	To be determined	5	2
I3.2 Number of countries with emergencies that adopt agricultural recovery strategies and/or programmes that integrate short, medium and long-term needs	To be determined	15	10

Primary Tools for achievement of the Organizational Result

1. Capacity of governments, local institutions, communities and other stakeholders enhanced to address immediate and long-term needs, including: a) increased national institutional capacity through appropriate capacity building; b) resilience tool; c) sector analysis in support of Agriculture systems; and d) short-term contingency plans are integrated into longer-term planning.
2. Formulated response, rehabilitation and transition strategy plans that are harmonized and aligned with government policies and programmes, including: a) NGOs/CSOs/ community groups / women's groups involved at all stages of programme design; b) increasing national ownership and development of a livelihood recovery strategy; c) harmonised national development plans through one-UN type approaches which should start with one FAO programme; d) multidisciplinary team (FAO, donors, local institutions) set up and deployed to assess "transitional needs", based on which country response programme should be amended; e) NMTPF formulation and implementation, ensuring linkage between emergency design to UNDAF, PRSP, etc.; f) joint training with planning workshops; g) involving local institutions; h) fisheries co-management with government and communities; and i) National Forest Programs.
3. Knowledge management for informed decision-making by partners, including: a) good practices and lessons learned are documented and disseminated to appropriate audiences; b) HPAI intervention facilitating policies and programmes to other diseases; c) feeding back lessons learnt into policies and training; and d) partners have access to relevant information and references guidelines.
4. Mainstreaming of good development practices into emergency transition programmes, including: a) response planning incorporates transition plans starting from initial stages of emergency; b) strategic documents for emergency and transition include 'exit strategies' and are harmonized and aligned with national plans; c) programme approach includes: elements of medium- to long-term development goals; d) strategies to increase resilience, enhance productivity, sustain livelihoods; and e) type of programmes: Seed policy formulation, Mangrove rehabilitation, Fishery rehabilitation programmes, Farmers field schools, 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: a) resource allocation mechanisms for transition established; b) advocacy tools for donors to secure longer-term funding; c) donors sensitized to the importance of funding for transition; d) resources allocated identified for transition during emergency phase (including SFERA-like funding and long-term cluster coordination); e) adequate resources are mobilized for post-emergency activities; f) advocacy and communication for funding transition (and building in-country support and ownership; g) IPC analysis; and h) CWGER: policy dialogues to create space for transition funding.

**STRATEGIC OBJECTIVE K -
GENDER EQUITY IN ACCESS TO RESOURCES, GOODS, SERVICES AND
DECISION-MAKING IN THE RURAL AREAS**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
K01	1,966	18	780	0	798	2,764
K02	2,396	782	2,066	3,000	5,849	8,245
K03	3,057	2,060	3,978	0	6,038	9,095
K04	2,302	18	0	0	18	2,320
Total	9,721	2,879	6,824	3,000	12,703	22,423

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 exacerbates food, nutrition and income insecurities. 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 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 and this trend is likely to worsen given the emerging social, economic and environmental issues including climate change, migration, emerging infectious diseases, global and national economic down-turn.

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, cultural biases and lack of political will have resulted in the 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; incorporation of rural gender issues in relevant UN policies and joint programmes in order to leverage resources and to efficiently scale-up rural gender issues; sustained generation and analysis 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.

Assumptions and Risks

- Assumption that FAO will remain a centre of knowledge and point of reference on rural gender issues.
- 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
K1		X	X	X	X	X		X
K2		X	X	X	X	X	X	
K3	X	X	X	X	X	X	X	X
K4				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	Targets (4 years)	Targets (2 years)
K1.1 Number of countries that have implemented UN joint programmes which contain a rural gender equality component that meets FAO's gender equality criteria	0	7	3
K1.2 Number of “Delivering as One” UN system-wide policy instruments comprise rural gender issues as a result of FAO inputs	0	44	4

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

<p>pilots, UN Joint Programmes, and other UN system wide approaches and frameworks.</p> <p>4. Provide technical assistance to support the uptake of rural gender issues in UN joint programmes and policies.</p>			
<p>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</p> <p><i>Lead Unit: ESW</i></p>			
Indicator	Baseline	Targets (4 years)	Targets (2 years)
K2.1 Number of national institutions receiving FAO's technical support that have adopted the socio-economic and gender analysis (SEAGA) tool for policy formulation and planning.	10	22	15
K2.2 Number of countries that collect, analyze, use and disseminating, on a nation-wide basis, sex-disaggregated food security and rural development data.	15	30	20
<p>Primary Tools for achievement of the Organizational Result</p> <ol style="list-style-type: none"> 1. Assess current and emerging capacity building needs 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 dissemination 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. nutrition, forestry, fisheries, livestock, etc). 5. Provide training focused on the "how to" of gender mainstreaming both within FAO and among countries based on the SEAGA approach and tools. 			
<p>Organizational Result K3 - Governments are formulating gender-sensitive, inclusive and participatory policies in agriculture and rural development</p> <p><i>Lead Unit: ESW</i></p>			
Indicator	Baseline	Targets (4 years)	Targets (2 years)
K3.1 Number of targeted countries whose agricultural and food security policies, laws and regulations have been revised, using FAO information, analysis, policy advice and capacity building to address rural gender issues affecting access to productive resources.	6	12	8

Primary Tools for achievement of the Organizational Result

1. Strengthen national government efforts 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. Assist national governments, civil society organizations and research institutions to enhance gender and socio-economic analysis of emerging issues which have the potential to undermine gender and social equity in food security and rural development.
3. Collect, analyse and disseminate information and statistics on the social and gender equality dimensions of emerging social, economic and environmental issues (e.g. climate change, environmental degradation, bioenergy, population dynamics, emerging diseases (i.e. AIDS), undernutrition, property rights' regimes, and employment opportunities) to support policy-making and implementation processes.
4. Disseminate participatory tools and approaches relevant to agriculture and rural development to countries and partners through the FAO Participation website and other information channels.

Organizational Result K4 - FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work*Lead Unit: ESW*

Indicator	Baseline	Targets (4 years)	Targets (2 years)
K4.1 Percentage of products/services in FAO workplans that are gender-sensitive.	Percentage to be determined	20%	10%
K4.2 Number of FAO units at headquarters and decentralized offices that monitor programme implementation against gender-sensitive targets and indicators.	20	30%	25%

Primary Tools for achievement of the Organizational Result

1. Upgrade the gender analysis skills of FAO staff at headquarters and decentralized levels using SEAGA-based gender mainstreaming modules or through catalytic technical support.
2. Develop a new monitoring and reporting mechanism which allows divisions and Gender Focal Points to report periodically on gender mainstreaming activities.
3. Facilitate the appointment of senior staff as Gender Focal Points (GFPs) of FAO technical units 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.

**STRATEGIC OBJECTIVE L -
INCREASED AND MORE EFFECTIVE PUBLIC AND PRIVATE
INVESTMENT IN AGRICULTURE AND RURAL DEVELOPMENT**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
L01	10,566	12,383	1,391	0	13,775	24,341
L02	7,666	10,133	1,939	2,000	14,072	21,738
L03	17,489	20,629	3,295	0	23,924	41,413
Total	35,722	43,146	6,625	2,000	51,771	87,492

Issues and Challenges

Volatile food and energy prices, the current financial crisis, climate change and biodiversity loss are among the major threats to global food security, pose a broad range of humanitarian, human rights, socioeconomic, environmental, developmental, political and security-related challenges, and 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 3.5 percent in 2004, rising to 5.5 percent in 2007. Improved agricultural productivity will require firm reversal of this reduction in development assistance to agriculture, 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). 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 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.
- Assumption that market distortions resulting from agricultural subsidies and non-tariff trade barriers in OECD countries will reduce over time.

- Assumption that the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (2008) are put into effective practice, resulting in improved coherence between various sources of funding/support to the benefit of the recipient countries.
- Risk that the recent strong momentum for investment at national and international levels is not sustained over time, so that pledges (both from national budgets and ODA) are not converted into actual investment in support of food security and poverty reduction.
- Risk that developing countries do not adopt more effective policies, and institutions to help farmers and agri-businesses take advantage of export opportunities.

At the national level:

- Risk that governments do not have the competency to drive a predictable economic reform agenda that applies public funding to leverage private investment, while reducing private investment risk and transaction costs.
- Risk that governments do not have sufficient capacity and incentives to effectively manage investment projects.

At the institutional level:

- Risk that there is insufficient flexibility in use of resources to meet the specialized investment needs and requests of countries for support to sectoral and policy analysis, investment strategy development and capacity building efforts.
- Risk that skills are not available, or cannot be brought into the organization to support investment- related priorities of countries.

Application of Core Functions to Strategic Objective L

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
L1	X	X	X	X	X	X	X	X
L2		X			X		X	X
L3		X		X			X	X

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 (4 years)	Target (2 years)
L1.1 Percentage increase in public expenditure in food and sustainable agriculture and rural development (FSARD) in 10 targeted Low-Income Food-Deficit Countries (LIFDCs)	5 years (2005-09) average of Poverty Reduction Strategy Program (PRSP) expenditure for agriculture	25%	10%
L1.2 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 (4 years)	Target (2 years)
L2.1 Percentage of Investment Centre Division's person weeks on investment development delivered by national experts	12%	26%	18%
L2.2 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%
L2.3 Number of countries receiving FAO support, in which institutional capacity for agribusiness and agro-industries investment has improved for at least 5 of 20 benchmark indicators	0	15	5

Primary Tools for achievement of the Organizational Result

1. The provision of FAO-led interdisciplinary capacity building and mentoring of national counterparts in investment cycle management.
2. Collaboration with partner IFIs to increase resource allocation to experiential capacity building in investment cycle management.
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

Indicator	Baseline	Target (4 years)	Target (2 years)
L3.1 FAO-supported investment funding of FSARD operations	USD 2.8 billion	USD 3.2 billion	USD 3.0 billion
L3.2 Number of countries where a minimum of three	0	12	4

public-private partnerships for investment in agro-industries have been established with FAO technical support			
L3.3 FSARD investment quality rating by partner International Financing Institutions (IFIs)	90% satisfactory at entry; 90% satisfactory at supervision; 85% satisfactory at completion	90% satisfactory at entry; 90% satisfactory at supervision; 90% satisfactory at completion	<i>90% satisfactory at entry; 90% satisfactory at supervision; 88% satisfactory at completion</i>
Primary Tools for achievement of the Organizational Result <ol style="list-style-type: none"> 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. 			

**FUNCTIONAL OBJECTIVE X -
EFFECTIVE COLLABORATION WITH MEMBER STATES AND
STAKEHOLDERS**

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
X01	39,887	5,175	3,451	3,757	12,383	52,270
X02	86,661	3,684	1,917	0	5,601	92,263
X03	22,217	2,149	237	0	2,386	24,603
X04	56,424	6,070	0	400	6,470	62,894
Total	205,188	17,078	5,605	4,157	26,840	232,029

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.

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.			
Indicator	Baseline	Target (4 years)	Target (2 years)
X1.1 Number of policy assistance requests to headquarters and decentralized offices which have been met	To be determined	+ 20%	+10%
X1.2 Number of countries where results-based medium term priority frameworks have been adopted, which are aligned with sector policies	0	30	10
X1.3 Number of regions where priority action plans have been formulated, informed in part by NMTPFs and Subregional priority action plans	0	5	5
X1.4 Percentage of extra-budgetary resources mobilised through IFAs	0	20%	5%
X1.5 Percentage deviation between the increase in the FAO biennial budgetary receipts recorded in the audited accounts and the average of the four specialized agencies (ILO, UNESCO, UNIDO, WHO)	To be determined	Maximum 5 % deviation	Maximum 5 % deviation
X1.6 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%
X1.7 Percentage of donor-funded projects/programmes (including TCP) meeting FAO corporate quality standards during implementation and at the end of each year of implementation	To be determined	95%	80%

Primary Tools

1. Demand-driven policy assistance at all levels (national, subregional, regional, global) in accordance with member priority needs.
2. Results-based national medium term priority 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. Resource mobilization strategy through a double track approach at global and decentralized levels in support of medium term priority frameworks.
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.

Organizational Result X2 - Effective and coherent delivery of FAO core functions and enabling services across Organizational Results
Lead Units: OSP, TCS, 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.

The Organization is in need of a coherent approach for statistics, as called for in the recent evaluation, and will implement adequate measures in order to achieve this. Communication and advocacy are at the heart of FAO's functions as a Knowledge Organization. The organization must communicate internally and externally in a timely and consistent way at global, regional and country level – demonstrating leadership and rallying support for the global drive to eradicate hunger. This should lead to an improved understanding by policy makers of the need for development policies that promote agriculture and the rural sector, and lessen food insecurity and poverty, including the need to mobilise increased resources. There is also the need to ensure that the role and contribution of FAO is recognized among policy makers and those who can influence them, including the general public.

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 building/development is an important part of this, in line with the Paris and Accra Declarations to enhance national ownership. The Organization must play a catalytic role in partnership with national and international actors by delivering high-quality integrated Capacity Building/Development support grounded in national, regional and global plans that combines normative, operational and convening activities. Guided by a corporate capacity building/development strategy, FAO will facilitate a sustainable capacity base in countries and regions relating to 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 building 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.

Indicator	Baseline	Target (4 years)	Target (2 years)
X2.1 Percent of departmental staff and non-staff resources deployed to Strategic Objectives led by other departments	13%	20%	16%
X2.2 Percent of field projects/ programmes for which technical oversight has been delegated to decentralized offices	0	30%	20%
X2.3 Share of technical oversight and support outsourced to certified partners	0	20%	10%
X2.4 Percent of products and services related to information and knowledge management and statistics, and associated information systems, implemented in accordance with FAO's corporate strategy	To be determined	To be determined	<i>To be determined</i>
X2.5 Percent products and services related to information systems and technology implemented in accordance with FAO's corporate strategy	60% (to be confirmed through survey)	100%	80%
X2.6 Average monthly traffic to www.fao.org	3.614 million visits per month	3.965 million	3.890 million
X2.7 Average monthly citations of FAO in print/electronic media monitored by Meltwater service	4,056 citations per month	4,220	4137
X2.8 Percent of capacity building products and services implemented in	To be determined	To be determined	<i>To be determined</i>

accordance with FAO's corporate strategy			
X2.9 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 <ol style="list-style-type: none"> 1. Instruments for ensuring interdisciplinary approaches. 2. Technical quality assurance through optimal use of internal and external resources for technical oversight and support. 3. Development and promotion of corporate approaches in the areas of information and knowledge management, statistics and information systems, and technology. 4. Strategies and tools to ensure coherent approaches in the areas of communication and advocacy. 5. Coherent and effective communication and advocacy programmes implemented at all levels. 6. Corporate strategy, tools and methodologies to enhance FAO support to capacity building at global, regional and national levels. 7. Coherent and well-coordinated policy assistance to countries and Regional Economic Integration Organizations. 8. Programmes to enhance coordination and consistency in delivery of legal and legislative advice. 9. Tools to collect, maintain and disseminate information on the creation, governance and use of international instruments. 			
Organizational Result X3 - Key partnerships and alliances that leverage and complement the work of FAO and partners Lead Unit: OCE			
<p>The challenge is 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.</p>			
Indicator	Baseline	Target (4 years)	Target (2 years)
X3.1 Percent of partnerships implemented that reflect the guiding principles of the FAO organization-wide strategy on partnerships	0	100%	50%
X3.2 Number of countries where FAO is participating in UN partnerships that are	8	90	22

aligned with the FAO strategy on partnerships with the UN system			
X3.3 Percent of collaborative arrangements with the Rome-based agencies, WFP and IFAD, that are implemented in line with jointly agreed Action Plans	To be determined	To be determined	<i>To be determined</i>
X3.4 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	<i>3 FAO regional conferences organize NGOs/CSOs consultations</i>
X3.5 Number of partnership and consultations 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	<i>3 new strategic partnerships with the private sector</i>

Primary Tools

1. Organization-wide partnership strategy, and specific partnership strategies, developed and implemented at corporate and regional, sub-regional and country level.
2. Guidelines for formal and informal partnerships, incorporating lessons learned.
3. 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.
4. Joint document entitled "Directions for Collaboration among the Rome-based Agencies" and related implementation plans.
5. Partners in civil society engaged through new consultative mechanisms.
6. Guidelines and management tools for partnerships with the private sector.
7. FAO representation at external meetings.

Organizational Result X4 – Effective direction of the Organization through enhanced governance and oversight

Lead Units: AUD, OED, CSC

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 integrity throughout the Organization's operations is promoted through the detection, investigation and prevention of fraud and unsatisfactory conduct, development of lessons learned, and procedural and policy changes needed to enhance integrity within FAO.

Indicator	Baseline	Target (4 years)	Target (2 years)
X4.1 Percent of the Organization's budget (Regular Programme accruing to the Evaluation Function)	0.5%	1.0%	0.8%
X4.2 Percent of accepted evaluation recommendations implemented within the agreed timeline	50%	100%	80%
X4.3 Percent of audit recommendations made by AUD that are accepted and implemented by management	70%	90%	80%
X4.4 Percent of all complaints/allegations of fraud and misconduct that are processed and/or investigated within set timeframes	80% reviewed and dealt within 6 months from the receipt date	80% of an increasing number of complaints/allegations received	<i>80% of an increasing number of complaints/allegations received</i>
X4.5 Percent of Conference and Council decisions completed by FAO within prescribed deadlines.	75%	100%	80%
X4.6 Percent of documents for governing bodies produced according to statutory requirements	70%	100%	80%
Primary Tools <ol style="list-style-type: none"> 1. A Charter for the Evaluation Function in FAO. 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 plan for the satisfactory servicing and transparent conduct of meetings of Governing and Statutory Bodies. 5. The timely implementation of amendments to the Basic Texts relating to the role of the governing bodies. 			

FUNCTIONAL OBJECTIVE Y - EFFICIENT AND EFFECTIVE ADMINISTRATION

2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
Y01	65,558	7,006	524	5,200	12,730	78,288
Y02	24,472	2,215	0	3,110	5,325	29,797
Y03	19,211	7,898	0	0	7,898	27,109
Total	109,241	17,119	524	8,310	25,953	135,195

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.

Organizational Result Y1 - FAO's support services are recognised as client-oriented, effective, efficient and well-managed

Lead Unit: CSA

Indicator	Baseline	Target (4 years)	Target (2 years)
Y1.1 Percentage of corporate services covered by a Service-Level Agreement	0%	40%	20%

(SLA)			
Y1.2 Share of services benchmarked	To be determined, based on inventory of services	40%	20%
Y1.3 Percentage of processes and procedures streamlined	To be determined, based on inventory of services	40%	20%
Y1.4 Introduction of formal internal control reporting	None	Introduction of formal internal control reporting	<i>Preparation underway</i>
Y1.5 Improvement in client satisfaction	To be determined	75% satisfied	<i>50% satisfied</i>
Primary Tools <ol style="list-style-type: none"> 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 is recognised as provider of comprehensive, accurate, and relevant management information Lead Unit: CSF			
Indicator	Baseline	Target (4 year)	Target (2 year)
Y2.1 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>
Y2.2 Percentage of stakeholder organizational units utilising information retrieved from the administrative corporate management information system on a regular basis	To be determined (administrative management information is currently distributed through dispersed and ad-hoc means)	80%	<i>Mechanism is established to collect and report on usage of statistics of administrative corporate management information</i>
Y2.3 Improved ability to produce final reports on corporate information through use of standard reporting tools	To be determined (number of final reports on corporate information that require ad-hoc modification)	Reduction in the number of reports that require ad-hoc modification (dependent on establishment of baseline)	<i>Reduction in the number of reports that require ad-hoc modification (dependent on establishment of baseline)</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 (4 years)	Target (2 years)
Y3.1 Percentage of managers who completed the FAO Core Managerial Training programme (% of all P5-above)	0%	50%	19%
Y3.2 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	85% of staff participate in PEMS; 20% increase in competency ratings
Y3.3 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%
Y3.4 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%	GS: To be determined; P: 36%; D: 18%
Y3.5 Percentage number of member countries that are equitably represented	61%	70%	64%
Y3.6 Increased client satisfaction with HR policies	To be determined	75%	50%

Primary Tools

1. Core Management Training Programme for all FAO managers to undertake within a 24 months period from appointment, which includes 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 function and system to monitor, administer, and report on staff mobility to all departments/offices.
5. HR policies that contribute to implementing best practices in people-management.
6. Yearly client surveys.

FAOR PROGRAMME

FAOR Programme 2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
FAOR01 - Effective country network coverage and implementation in Africa	39,851	537	3,828	1,672	6,037	45,888
FAOR02 - Effective country network coverage and implementation in Asia Pacific	13,641	340	2,175	950	3,465	17,106
FAOR04 - Effective country network coverage and implementation in Latin America	14,948	641	2,262	988	3,891	18,839
FAOR05 - Effective country network coverage and implementation in Near East	6,643	181	348	152	681	7,324
FAOR07 - Effective country network coverage and implementation in Europe	2,110	0	87	38	125	2,235
Total	77,194	1,699	8,700	3,800	14,199	91,393

287. The FAOR programme is presented as a separate Chapter in the Appropriations Resolution for budgetary purposes, as further outlined in *Section III.D*.

288. It should be noted that the extra-budgetary resources for projects operated by the FAORs are shown under the substantive Organizational Results. Therefore, the extra-budgetary resources for emergencies and assistance to countries in the above table relate mainly to administrative and operation support cost income these offices are expected to earn for projects they operate during the biennium.

TECHNICAL COOPERATION PROGRAMME

TCP - Technical Cooperation Programme 2010-11 Resources (in USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
TCP01 - TCP Management and Support	4,292	0	0	0	0	4,292
TCP02 - TCP - Projects	104,929	0	0	0	0	104,929
Total	109,221	0	0	0	0	109,221

289. The Technical Cooperation Programme is presented as a separate chapter in the Appropriations Resolution for budgetary purposes, as further outlined in *Section III.D*. As shown in the table above, the two main components are TCP Management and Support, which - with decentralization of the programme - will be shared between headquarters and the decentralized offices, and TCP Projects, providing direct assistance to countries. As noted in *Section I.D* on TCP, USD 0.9 million in savings under TCP Management and Support has been shifted to TCP-Projects.

CONTINGENCIES

Contingencies 2010-11 Resources (USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra- budgetary	Total
601 - Contingencies	600	0	0	0	0	600
Total	600	0	0	0	0	600

290. The provision for contingencies remains unchanged since the PWB 1980-81.

CAPITAL EXPENDITURE

Capital Expenditure 2010-11 Resources (USD 000 at 2008-09 rates)

Organizational Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total
801 - Core ICT Infrastructure	1,884	0	0	0	0	1,884
802 – Corporate Administrative Applications	1,483	2,350	0	0	2,350	3,833
803 - Corporate Technical Applications	5,169	0	0	0	0	5,169
804 - Electronic Content and Document Management Systems	1,750	0	0	0	0	1,750
805 - IPSAS (including FAS)	10,700	0	0	0	0	10,700
806 - Management Information Systems	2,525	800	0	0	800	3,325
807 - Support Human Resources Management Framework	4,068	0	0	0	0	4,068
808 - Carryover	(5,000)	0	0	0	0	(5,000)
Total	22,579	3,150	0	0	3,150	25,729

1. Core ICT Infrastructure

291. The Core ICT infrastructure project covers the provision of servers, storage and communication networks, including telephony and email, that underpin the IT services and information systems of the Organization. It ensures a performant, sustainable and efficient ICT infrastructure to support the business needs of the Organization. Two major investments are planned:

- the development of a common server infrastructure platform which will allow the Organization to take advantage of modern technologies, including virtualization, to provide more cost-effective, performant and resilient services for FAO information systems; and
- upgrade of servers in Decentralized Offices, following the successful completion of the desk-to-desk e-mail rollout, improving service reliability by replacing old hardware, and allowing staff to use software packages compatible with those used by business partners.

2. Corporate Administrative Applications

292. The corporate administrative systems project provides for upgrades to Enterprise Resource Planning (ERP) systems to meet business needs. Major planned investments in this area are related to:

- maintaining the corporate environments aligned with current industry standards, providing synergies with other major initiatives such as IPSAS and as allowing for more flexibility in the selection of solutions for both headquarters and decentralized offices; and
- consolidation of proprietary and obsolete administrative systems across the Organization to bridge functionality gaps and eliminate duplication, as well as undertaking other miscellaneous modifications and enhancements in order to meet their dynamic operational and business requirements.

3. Corporate Technical Applications

293. The Corporate Technical Applications projects will enhance particularly corporate frameworks and technical data repositories utilized to manage technical information in support of the Organization's core business. Projects in this group are:

- the establishment of an organisational corporate data repository, defined as a reliable, robust, secure and scalable facility to store, organise, integrate, locate and retrieve the interdisciplinary substantive and scientific data of FAO;
- upgrading of FAOSTAT through: 1) a corporate quality framework for agriculture, forestry and fisheries statistics (in accordance with recommendation 3.5 of the Independent Evaluation on Statistics), along with a working system supporting the framework for adoption by ESS and potentially other divisions; 2) establishment of a statistical data warehouse integrating the Organization's time series data holdings that conform to corporate quality framework; and
- a project, continued from 2008/09, to facilitate the conversion, preparation, loading and documentation of existing media collections and extension of this media base to serve needs of information systems, including the corporate technical data repository.

4. Electronic Content and Document Management Systems

294. Electronic content and document management systems (CMS, DMS) provide a "paperless" environment where appropriate and automated workflows to facilitate review and approval. A number of CMS and DMS initiatives in the past have resulted in various solutions using different technologies. The following initiatives will be undertaken to establish solutions that meet both corporate and departmental operational needs:

- expansion of the document and workflow management system, currently utilized on a limited basis, across the Organization. This will allow for the creation, and dissemination of documents within business units as well as across departments;
- establishment of a corporate CMS solution to store, access, and disseminate various types of electronic content to dispersed communities. This includes not only textual information but also various other types of graphical and multimedia elements, which are widely utilized both inside and outside the Organization. This solution will bring content management environments and interactive collaboration tools into a cohesive environment using integrated technical solutions; and
- initiate replacement of the document processing request system developed several years ago in a broader document management context and based on more up-to-date and standard technological framework.

5. IPSAS (including FAS)

295. IPSAS, including the Field Accounting System (FAS) replacement project, is a UN system-wide initiative to adopt best practice international accounting standards to produce transparent and reliable financial reporting. It will be the foundation for providing complete, comparable and readily-understood financial information, leading to better decision-making and use of resources. FAS replacement, which has been integrated into the IPSAS project, will support the needs of the decentralized offices as regards the recording, accounting and reporting of financial transactions.

6. Management Information Systems

296. Management Information Systems must respond to long standing corporate needs, including operational reporting and data analysis requirements, support to decision making at the managerial level. Work in this area will:

- determine corporate MIS requirements in the area of administrative operations and establish procedures and processes related to overall administrative data management. This project is continuation of work begun in 2008-09;

- establish a management information reporting/data analysis environment covering the human resources area, as well as enhance the corporate Data Warehouse as the definitive source of HR data for reporting and analytical purposes (continuation of work begun in 2008-09); and
- work toward a gradual and phased implementation of an integrated MIS across all other administrative functions, and creating information products required for decision-making at various levels of management, as well as providing the corporate reporting capability across multiple lines of business.

7. Support Human Resources Management Framework

297. FAO's Human Resources systems need to be enhanced. Extensions and improvements include: the implementation of job profiles and of a new competency framework, support to enhanced consultant recruitment policies through a modern roster facility, support to staff development initiatives through e-learning, and an upgrade of the Performance and Evaluation Management System (PEMS).

SECURITY EXPENDITURE

Security Expenditure 2010-11 Resources (USD 000 at 2008-09 rates)

Organization Result	Net Appropriation	Core Voluntary	Field Programme	Emergencies	Total Extra-budgetary	Total	
901 - Safe and secure operating environment for headquarters programme delivery	11,333	188		0	0	188	11,521
902 - Safe and secure operating environment for worldwide programme delivery	14,022	0		0	601	601	14,623
903 - Carryover	(1,400)	0		0	0	0	(1,400)
Total	23,955	188		0	601	789	24,744

298. 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*.

299. 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.

300. 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, as well as 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;
- 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.

TRANSFER TO TAX EQUALIZATION FUND

301. The Tax Equalization Fund was established as of 1 January 1972.
302. In line with the practice followed since 1972-73, the 2010-11 budget is presented on a gross basis, by adding to the total effective working budget an appropriation for staff assessment.
303. 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.
304. 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.
305. The amount of USD 98.1 million provided for 2010-11 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 2009.
306. 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 2010-11.

ANNEX I: REGIONAL DIMENSIONS

307. This Annex provides an indication of the main challenges and areas of emphasis pertinent to specific regions, which will be taken into account in the implementation of the Strategic Objectives and Organizational Results. These challenges and priority areas have been identified under the lead of the respective regional offices, in consultation with subregional offices and headquarters technical divisions, and in the light of recommendations of the Regional Conferences and other consultative fora.

308. The following summary table provides a breakdown of total resources estimated to relate to global work and to the respective regions.

2010-11 Budget Proposal by Location (in USD 000 at 2008-09 rates)

Region	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
Headquarters/Global	637,618	241,389	744,380	1,623,387
Africa	112,793	1,304	69,555	183,652
Asia and Pacific	63,076	965	91,322	155,363
Europe and Central Asia	40,815	910	11,704	53,429
Latin America and the Caribbean	59,396	2,363	68,069	129,828
Near East	32,267	258	32,722	65,247
Total	945,965	247,189	1,017,751	2,210,906

Africa

309. Africa's economy is primarily agrarian-based. In most of the African countries, agriculture provides the largest share of GDP, and contributes about 40 percent of exports and 70 percent of employment. However, poverty, hunger and under-nourishment are widely spread, particularly in sub-Saharan Africa. Despite the efforts made to promote development, African agriculture continues to face major constraints including under-capitalization, inefficiency, un-competitiveness, low productivity and poor market access.

310. Though the Africa region has significant water resources, 93 percent of the arable land is dependent on unpredictable rainfall with only 4 percent of available water resources used for irrigation. Soils are under accelerated degradation. Level of fertiliser use is less than 10 percent of that of other regions. Access to improved seeds is hampered by high costs and limited supplies on local markets. Rural infrastructures for transport, storage and packaging are often inadequate making African agricultural commodities uncompetitive in relation to imports. In addition, the region faces acute threats from transboundary pests and animal diseases which require strong capacity of responses by phytosanitary and veterinary services to carry out necessary preventive and curative actions. The Africa region is particularly characterized by the low level of investment in the agriculture sector despite the commitment of its Heads of State and Government to allocate at least 10 percent of their national budgets to agriculture and rural development.

311. Among the challenges faced by the Africa region are rapid population growth, an increasing urban population, changing rural population patterns including an aging agricultural labour force, progressive increase of food imports to satisfy the needs of the increasing population, instability of global markets, and climate change.

312. Based on the guidance and recommendations of the 25th FAO Regional Conference for Africa the major areas of emphasis for FAO actions in the region in 2010 and 2011 in the context of the Organization's Strategic Objectives are as follows:

- a) *Sustainable intensification of crop production* (SO A): assistance in the development of policies and strategies for sustainable production to meet growing and changing demands and to adhere to applicable safety and environmental standards; diversification to minimise risks; and better post harvest management including processing.
- b) *Increased sustainable livestock production* (SO B): assistance in the formulation of strategies and investment plans to develop smallholder dairy, livestock and meat and poultry production across the region in partnership with regional economic organizations; strengthening of the capacities of veterinary services for enhanced animal and veterinary public health, the control and prevention of major transboundary animal diseases, including avian influenza; contribution to improved management of rangelands (management of transboundary rangelands/transhumance) and development of adapted forage technologies to increase animal feed availability; and contribution to the implementation of the Global Plan of Action for Animal Genetic Resources in Africa region (at national and regional levels).
- c) *Sustainable management and use of fisheries and aquaculture resources* (SO C): assistance to sustainable management and conservation of marine fisheries and aquaculture resources; support for production of high-value fresh water fish; assistance to aquaculture production and sustaining fisheries livelihoods; and support for efforts to reduce illegal, unreported and unregulated (IUU) fishing.
- d) *Forestry resources management and sustainable use* (SO E): strengthening forestry, rangeland and wildlife programmes; supporting regional cooperation and knowledge sharing on forest management; enhancing participation in the sustainable management of forests and trees; and promotion of the importance forests and trees for soil and water conservation and energy, food and fodder supply.
- e) *Sustainable management and use of natural resources* (SO F): support for the development of policies and strategies for the sustainable use of land, water and genetic resources; and support for adaptation and mitigation initiatives to respond to global environmental and climate change challenges affecting food and agriculture.
- f) *Strengthening regional and subregional Organizations for economic integration*, (SOs G, X): support for harmonization of policies and integration of programmes of countries in the regions for trade in agricultural commodities, and inputs/outputs markets in food and agricultural products.
- g) *Improved food security and better nutrition* (SOs D, H, I): access to food insecurity analyses, statistics and information; assistance in improving diets and nutrition; promotion of the legal framework for the realization of the right to adequate food; strengthening capacities to access and use information to support sound decision-making; support for improved quality and safety of foods at all levels of the food chain; and support to regional and national initiatives related to preparedness for, and effective response to shocks, threats and emergencies.
- h) *Investment in agriculture* (SO L): assistance in the design and supervision of effective public and private sector investment in support of the commitment of the Heads of State and Government of Africa (the Maputo – 2003) to allocate at least 10% of their national budgets to agriculture and rural development.

Asia and Pacific

313. Despite strong economic growth and sustained progress in agriculture, the region still has some 542 million undernourished people: 314 million in South Asia, 132 million in East Asia and 87 million in Southeast Asia. Of the world's 680 million poor, two thirds are in Asia and the Pacific region. About 500 million, or 30 percent of developing Asia's 1.7 billion labour force are either under- or unemployed. While there has been a reduction in the incidence of poverty, progress has been unevenly distributed and some countries have experienced sharp increases in inequality.

314. Apart from rapid population growth, the region is facing increasing challenges, especially the impact of climate changes and global warming which is increasing pressure on the natural resource base, as well as increasing the frequency of natural disasters. Declining investment in the rural sector and agricultural infrastructure, vulnerability to external shocks, as well as the impact of trade and food safety are also becoming major concerns in the region.

315. Further, reflecting lessons from the economic and food crisis, the region will have to adopt a new growth model relying more on domestic and intra-regional economic activities rather than export-orientation. Creating a judicious balance between export-orientation and domestic activities will influence agricultural sector reform in the region – involving policy, institutions, governance, investment, technology innovation, information and capacity building dimensions – supported by FAO's close attention and appropriate response. The most significant regional issues and priority needs for policy advice and technical assistance have been debated at the 29th APCR and subsequent consultative meetings with regional economic groups/fora, as follows:

- a) *Strengthening of food and nutritional security* (SOS H, K, FO X): Emphasis will be on upstream policy analysis and advice to members; support to formulating NMTPFs, regional diagnostic studies and facilitation of policy dialogues on emerging issues such as climate change, biofuel development, financial and economic crises and their impacts on small farmers; sound food security and nutritional policies, as well as monitoring the impact of such policies and programmes. FAO can play a key role in the collection, analysis, interpretation and dissemination of information and statistics on nutrition, food, agriculture and forestry and fishery resources, through, for example, support to regional agricultural information systems and monitoring regional “state of food and agriculture” and production of selected indicators, and capacity building in agriculture census and statistics.
- b) *Fostering the agriculture and rural sector's optimum contribution to growth and equity* (SOS A, B, C, E, G, L): special focus will be on small producers, landless workers and the vulnerable poor, in view of the prevailing small farming systems in the region. Attention will be on: assisting countries to diversify and improve the major crop production base while addressing sustainable conservation and use of plant genetic resources; developing regional standards; enhancing capacity in genetic improvement for small ruminants; mitigating the impact of highly intensive livestock production on the environment and strengthening the economic and regulatory environment for disease control; and developing an enabling environment for rural producers, workers and the agribusiness sector, as well as capacity building for value chain actors, especially those small and medium food processing enterprises.
- c) *Enhancing equitable, productive and sustainable natural resource management and utilisation* (SOS A, B, C, E, F): land and water scarcity is critical in Asia. Forest degradation and deforestation already present pressing challenges. Assistance to countries will focus on: coping with water and land scarcity; adapting to, and mitigating, the adverse impacts of climate change; putting in place good practices and promoting good governance; adopting multisector approaches to reconcile competition between users of natural resources; promoting responsible and sustainable fishing practices and sustainable aquaculture production, and combating illegal, unreported and unregulated fishing. Transboundary and subregional approach will be emphasised in analytical assessment, policy and technical support, along with the provision of a neutral forum to enhance subregional cooperation on natural resource management.
- d) *Improving capacity to respond to food and agricultural threats and emergencies* (SOS A, B, D, I): Main thrusts will be: strengthened regional capabilities for the development and implementation of regulations and standards for plant protection, food safety and biosecurity, and genetic resources; promotion of more resilient production systems; early warning systems to prevent food emergencies; and rehabilitation. Support needs to continue on regional networks on transboundary animal disease control and prevention, and on enhancing national capacity in plant pest and animal disease surveillance,

diagnosis and control, in particular for Avian Influenza, which is endemic in many parts of the region.

- e) *Climate change and impact on agriculture and food and nutrition security* (SOS C, E, F): climate change presents a particular problem in Asia and the Pacific region due to its diversified ecosystems, especially in small island developing states and low lying countries. Practical ways are required to cope with systemic, long term threats of climate change and to help manage the impact of transitory shocks to food and agricultural production. Subregional and ecosystem based approaches need to be developed for specific areas, such as south Asia, the Pacific islands and the Greater Mekong subregion, in order to make farming more resilient to climate change. Effort will be directed to developing and implementing strategies for advocacy, policy dialogue and assistance in disaster and risk reduction and preparedness, and mobilization of development assistance, based on FAO's competence and strong regional networks in fisheries, aquaculture, forest, dryland and watershed development.

Europe and Central Asia

316. Twenty years into the substantial transition process, the region is highly differentiated in terms of income levels, policy agenda and technical assistance needs. Twelve countries, including ten former centrally planned economy countries, joined the European Union in 2004 and 2007, shifting FAO's attention to the needs of other countries, including support to EU integration. Assistance is geared toward the enhancement of food value chains, the *acquis communautaire*, sustainable management of natural resources and ensuring food security. Countries further to the East, are in the process of modernising their agriculture and rural sector, as well as institutions for sector governance that foster the development of family farms and private agriculture. In these countries, there is a particular need to upgrade expertise in veterinary medicine, fisheries and aquaculture, forestry and agronomy. Moreover, they require assistance in several policy and institution-building aspects, ranging from natural resource management to food safety and value chain development. In addition, the countries of CIS-Central Asia still need assistance to address the issues of rural poverty, food security and water management.

317. FAO will seek to assist in the development of policy documents and master plans, and will continue its close partnership with governments and private sector in the implementation of these policies. Based on the recommendations stemming from the 26th Regional Conference in 2008, the main areas of emphasis in the PWB 2010-11 are highlighted below:

- a) *Support for Sustainable Management of Natural Resources* (SOs C, E, F): development of policies and programmes focusing on natural resource management, and climate change mitigation and adaptation; capacity building for marine and inland fisheries aimed at preserving ecosystems; forestry management and forest protection measures and policy development; improvements in water productivity and securing land tenure rights; human capacities in research, extension and communication, with special attention on biotechnologies.
- b) *Knowledge-Based Public Goods Development and Management* (SOs H, FO X): facilitating access to FAO's analyses and other information products and services related to food security, fisheries, agriculture and nutrition; support to Thematic Knowledge Networks and mainstreaming best practices.
- c) *Agricultural trade* (SO G): due to the fact that agricultural trade continues to play a key role in improving food security and fostering growth in the region. Fostering increased trade will require improved product quality, higher phytosanitary and commercial quality standards.
- d) *Value Chain Development* (SO G): the promotion of enterprise development; enhancement of food quality and safety; quantitative measurement of value added; coordinated linkages among producers, processors and retailers, and the improvement of the competitive position of individual farms' in the market place.

- e) *Food Quality and Safety Systems Improvement* (SO D): support for the development of adequate institutional frameworks for food safety; assistance to countries to meet the requirements for integration into the World Trade Organization; support for technical and sanitary upgrading of industries, capacity building in policy formulation and in the elaboration of appropriate legislation, *inter alia* with regard to phytosanitary measures; assistance in development of adequate border control mechanisms and well-functioning veterinary systems.
- f) *Improvement of Rural Livelihoods* (SOs A, B, F, G, K, L): development of policies and strategies aimed at sustainable crop production and livestock, intensification and diversification, management of pesticides, transboundary animal and plant pests and diseases; support for the development of institutional capacities for better management of animal and plant genetic resources, including breeding services and seed systems; support for preparation of appropriate rural development strategies related to area-based management and investment in the agriculture sector.
- g) *Gender mainstreaming* (SOs F, G, K): including support for programmes and activities aimed at improving women's access to education, health and social services as well as to water and land resources.
- h) *Agricultural and environmental problems* (SOs A, B, F): focus being on assistance to formulation of policies related to the development and management of land, soil and water resources, the conservation of biodiversity, and technical assistance aimed at reducing the agricultural sector's vulnerability to adverse natural and socio-economic factors and other risks.

Latin America and the Caribbean

318. The region has made significant progress in reducing the number of people living under the poverty line. However, in 2008 poverty still affected 184 million people, out of which 71 million were considered extremely poor. Half of the undernourished live in rural areas. Even though it has become highly "urbanised", only 22% of the population lives in rural areas, the latter accounts for 120 million people with many engaged in family farming.

319. The region is a net exporter of agricultural products and needs to meet the increasing food quality and safety standards of export markets. Responding to the increase in international and domestic demand for meat and oilseeds, former non-agricultural land is now cultivated, posing an important challenge for natural resource conservation. Capture fisheries also faces the problem that most of the traditional fish stocks are overexploited. Based on the guidance of the 29th and 30th Regional Conferences, regional commissions and other regional and subregional meetings, several areas of emphasis for FAO's action in the PWB 2010-11 are highlighted below:

- a) *Food price volatility, food security and fight against hunger* (SO H): support to the "Hunger Free Latin America and the Caribbean Initiative" in a combined effort with other agencies of the United Nations system; support for the creation of a Food and Nutritional Security Observatory for mapping of hunger and malnutrition in the region, and assistance in the regular monitoring and analysis of food price fluctuations and the costs of agricultural production supplies and their impact on families and countries.
- b) *Rural development policies, rural employment and the promotion of small farming* (SOs A, B, C): development of policies to promote access to natural resources and for the millions of poor families living in rural areas of the region; partnering with governments and the private sector; implementation of the recommendations of the International Conference on Agrarian Reform and Rural Development (CIRADR) of 2006.
- c) *Bioenergy* (SOs A, F): assistance to countries in the mapping of their bioenergy potential and strengthening capacities for producing biofuels; analysis to help ensure that production of biofuels is environmentally sustainable and non-threatening to the food security of vulnerable populations; and advice related to the opportunities that

- bioenergy represents, for social development *via* the inclusion of small farmers in biofuel production and the reduction of greenhouse gases.
- d) *Transboundary animal diseases* (SO B): particular attention will be given to support cooperation related to transboundary animal diseases including prevention, control and eradication, as well as clear and precise communication of instances of transboundary animal diseases in the region.
 - e) *Food safety* (SO D): assistance will encompass all phases of food production: harvest, post-harvest, storage, transport, processing, distribution and consumption; a main area of focus will be strengthening national sanitary and phytosanitary capacities and improve participation of countries in the formulation of standards and their implementation, based on risk analysis.
 - f) *Urban and peri-urban agriculture* (SOs A, B, C, D, H): assistance for the local production of safe and low cost fruits and vegetables suitable to be consumed fresh, the breeding of small animals and fish, as well as the ecological services they provide; advice and assistance aimed at sustainable increases of production, improving food quality and safety through the dissemination of Good Agricultural Practices; and support for improving food security and family nutrition.
 - g) *Climate change and environmental sustainability* (SOs C, E, F): attention to the sustainable management of forests, responsible use of fish and aquaculture resources, appropriate land use planning and water conservation and the protection of biological diversity; support and advice will be provided to new initiatives and methods, like payment for environmental services, which contribute to sustainable rural development.

Near East

320. The Near East is a very diverse region with regard to the natural resources endowment of its individual countries, their levels of development, and the place of the agriculture sector in the economy. Food security is notably a common challenge in a region that imports 50% of the calories it consumes and is the largest cereals importer in the world. Despite the limits imposed by water scarcity and the vulnerability of the region to climate change and to shocks of different kind, the potential of the agriculture sector as an engine of growth remains important.

321. Based upon the recommendations of the past Regional Conferences and other consultation meetings, the following main priority areas have been considered in the PWB 2010-11.

- a) *Sustainable intensification of crop production* (SO A): the main focus will be on promoting strategies and policies for sustainable intensification of crop production, particularly for high value crops; strengthening of national phytosanitary systems; and prevention and control of transboundary plant pests.
- b) *Increased sustainable livestock production* (SO B): strategies for the small ruminant sector; and improving performance of the veterinary services in the control of avian/swine influenza and small ruminant transboundary diseases.
- c) *Sustainable management and use of fisheries and aquaculture resources* (SO C): strengthening fisheries and aquaculture management capability; promoting the implementation of the Code of Conduct for Responsible Fisheries; establishment of a regional fisheries body for Red Sea fisheries; and strengthening of the Regional Commission for Fisheries (RECOFI).
- d) *Improved quality and safety of food at all stages of the food chain* (SO D): strengthening national and regional food safety capacities and promotion of exchange of experience; and strengthening quality assurance systems in food production and processing and promotion of viable micro-finance systems.
- e) *Sustainable management of forests and trees* (SO E): strengthening forestry, range and wildlife institutions; and regional cooperation and knowledge sharing on forest management; improving local communities' livelihoods and enhancing their participation in the sustainable management of forests and trees.

- f) *Sustainable management of land, water and genetic resources* (SO F): support for the development of policies and strategies for balancing supply and demand for water resources; ensuring greater resilience and adaptation to drought and climate change; assistance to land management programmes for drought mitigation and rehabilitation of degraded lands; and increasing access to knowledge for sustainable management of natural resources.
- g) *Enabling environment for markets to improve livelihood* (SO G): strategies for agri-business and agro-industries development; and promotion of information, experience and knowledge sharing through professional networks.
- h) *Improved food security and better nutrition* (SO H): strengthening national capacities in the assessment, monitoring and analysis of the food security and nutrition situations; and support to the implementation of the voluntary guidelines for the progressive realisation of the right to adequate food.
- i) *Increased and more effective public and private investment in agriculture and rural development* (SO L): assistance in the design and supervision of effective public and private sector investment.

ANNEX II: 2010-11 BUDGET PROPOSAL BY STRATEGIC/FUNCTIONAL OBJECTIVE AND FUNDING SOURCE
(IN USD 000 AT 2008-09 RATES)

Strategic/Functional Objective	Net Appropriation	Core Voluntary	Percent in operational and pipeline projects	Emergencies	Percent in operational and pipeline projects	Field Programme	Percent in operational and pipeline projects	Total Extra-budgetary	Percent in operational and pipeline projects	Total
A - Sustainable intensification of crop production	47,495	16,237	54.6%	113,000	0.4%	62,851	85.1%	192,089	32.7%	239,584
B - Increased sustainable livestock production	30,706	6,280	61.2%	126,979	10.9%	21,733	57.3%	154,991	19.5%	185,697
C - Sustainable management and use of fisheries and aquaculture resources	53,867	35,219	78.7%	16,000	2.9%	36,467	95.3%	87,685	71.8%	141,553
D - Improved quality and safety of food at all stages of the food chain	23,935	6,832	92.1%	2,000	0.0%	9,330	94.0%	18,163	82.9%	42,098
E - Sustainable management of forests and trees	41,288	44,744	48.9%	5,379	7.0%	27,962	85.3%	78,084	59.1%	119,372
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	51,557	31,741	39.4%	7,001	91.7%	46,095	97.8%	84,837	75.4%	136,394
G - Enabling environment for markets to improve livelihoods and rural development	39,138	6,199	52.9%	14,862	2.9%	30,521	98.1%	51,582	65.3%	90,721
H - Improved food security and better nutrition	57,162	9,601	47.6%	2,309	156.3%	77,976	98.7%	89,887	94.7%	147,049

Strategic/Functional Objective	Net Appropriation	Core Voluntary	Percent in operational and pipeline projects	Emergencies	Percent in operational and pipeline projects	Field Programme	Percent in operational and pipeline projects	Total Extra-budgetary	Percent in operational and pipeline projects	Total
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,397	5,077	33.0%	336,248	14.5%	30,892	100.0%	372,217	21.9%	379,614
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,721	2,879	100.0%	3,000	0.0%	6,824	100.0%	12,703	76.4%	22,423
L - Increased and more effective public and private investment in agriculture and rural development	35,722	43,146	84.9%	2,000	0.0%	6,625	66.0%	51,771	79.2%	87,492
X - Effective collaboration with Member States and stakeholders	205,188	17,078	26.6%	4,157	0.0%	5,605	72.4%	26,840	32.1%	232,029
Y - Efficient and effective administration	109,241	17,119	44.4%	8,310	0.0%	524	0.0%	25,953	29.3%	135,195
FAOR - FAOR Programme	77,194	1,699	100.0%	3,800	0.0%	8,700	0.0%	14,199	12.0%	91,393
TCP - Technical Cooperation Programme	109,221	0		0		0		0		109,221
Contingencies	600	0		0		0		0		600
Capital Expenditure	22,579	3,150	0.0%	0		0		3,150	0.0%	25,729
Security Expenditure	23,955	188	100.0%	601	0.0%	0		789	23.8%	24,744
Total	945,965	247,189	58.3%	645,646	11.5%	372,106	89.1%	1,264,941	43.5%	2,210,906

**ANNEX III: 2010-11 BUDGET PROPOSAL BY STRATEGIC/FUNCTIONAL
OBJECTIVE AND ORGANIZATIONAL RESULT
(IN USD 000 AT 2008-09 RATES)**

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
A01 - Policies and strategies on sustainable crop production intensification and diversification at national and regional levels	18,311	6,273	35,627	60,210
A02 - Risks from outbreaks of transboundary plant pests and diseases are sustainably reduced at national, regional and global levels	13,139	5,616	6,082	24,837
A03 - Risks from pesticides are sustainably reduced at national, regional and global levels	6,767	1,365	8,051	16,182
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	9,278	2,984	126,092	138,354
A - Sustainable intensification of crop production	47,495	16,237	175,852	239,584
B01 - The livestock sector effectively and efficiently contributes to food security, poverty alleviation and economic development	10,320	3,652	17,697	31,669
B02 - Reduced animal disease and associated human health risks	11,774	1,764	125,183	138,721
B03 - Better management of natural resources, including animal genetic resources, in livestock production	6,219	864	5,831	12,915
B04 - Policy and practice for guiding the livestock sector are based on timely and reliable information	2,392	0	0	2,392
B - Increased sustainable livestock production	30,706	6,280	148,711	185,697
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	18,194	6,748	5,081	30,022
C02 - Governance of fisheries and aquaculture has improved through the establishment or strengthening of national and regional institutions, including RFBs	7,333	6,648	4,423	18,404
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	7,312	8,273	15,378	30,963
C04 - Members and other stakeholders have benefited from increased production of fish and fish products from sustainable expansion and intensification of aquaculture	9,400	5,917	5,163	20,480

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other 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	5,196	3,167	18,373	26,736
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	6,432	4,467	4,049	14,948
C - Sustainable management and use of fisheries and aquaculture resources	53,867	35,219	52,466	141,553
D01 - New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization	12,802	3,937	1,474	18,213
D02 - Institutional, policy and legal frameworks for food safety/quality management that support an integrated food chain approach	3,338	1,164	32	4,535
D03 - National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms	4,168	1,731	9,682	15,581
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	3,627	0	142	3,769
D - Improved quality and safety of food at all stages of the food chain	23,935	6,832	11,330	42,098
E01 - Policy and practice affecting forests and forestry are based on timely and reliable information	9,318	23,309	4,743	37,369
E02 - Policy and practice affecting forests and forestry are reinforced by international cooperation and debate	5,699	127	1,156	6,981
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	6,413	12,192	4,315	22,919

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
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	5,702	878	5,487	12,066
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	7,074	4,167	13,765	25,005
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	7,082	4,072	3,876	15,030
E - Sustainable management of forests and trees	41,288	44,744	33,341	119,372
F01 - Countries promoting and developing sustainable land management	10,348	3,552	7,778	21,678
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	11,023	3,425	28,329	42,777
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	4,432	4,513	1,159	10,104
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	4,866	10,746	4,717	20,328
F05 - Countries have strengthened capacities to address emerging environmental challenges, such as climate change and bioenergy	12,102	6,029	10,350	28,482
F06 - Improved access to, and sharing of knowledge, for natural resource management	8,786	3,476	762	13,025
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	51,557	31,741	53,096	136,394

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other 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	9,240	1,719	27,532	38,490
G02 - Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships	2,786	2,111	8,910	13,807
G03 - National and regional policies, regulations and institutions enhance the developmental and poverty reduction impacts of agribusiness and agro-industries	7,009	1,389	7,869	16,266
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	20,103	981	1,073	22,158
G - Enabling environment for markets to improve livelihoods and rural development	39,138	6,199	45,383	90,721
H01 - Countries and other stakeholders have strengthened capacity to formulate and implement and monitor coherent policies and programmes that address the root causes of hunger, food insecurity and malnutrition	15,147	1,795	49,926	66,868
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	3,922	2,399	3,520	9,841
H03 - Strengthened capacity of member countries and other stakeholders to address specific nutrition concerns in food and agriculture	3,489	34	2,577	6,100
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	11,336	1,915	7,628	20,879
H05 - Member countries and other stakeholders have better access to FAO analysis and information products and services on food security, agriculture and nutrition, and strengthened own capacity to exchange knowledge	23,268	3,459	16,634	43,361
H - Improved food security and better nutrition	57,162	9,601	80,285	147,049
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	4,391	2,118	51,996	58,505

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
I02 - Countries and partners respond more effectively to crises and emergencies with food and agriculture-related interventions	1,934	2,362	48,880	53,176
I03 - Countries and partners have improved transition and linkages between emergency, rehabilitation and development	1,072	597	266,264	267,933
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,397	5,077	367,140	379,614
K01 - Rural gender equality is incorporated into UN policies and joint programmes for food security, agriculture and rural development	1,966	18	780	2,764
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	2,396	782	5,066	8,245
K03 - Governments are formulating gender-sensitive, inclusive and participatory policies in agriculture and rural development	3,057	2,060	3,978	9,095
K04 - FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work	2,302	18	0	2,320
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,721	2,879	9,824	22,423
L01 - Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies into national and regional development plans and frameworks	10,566	12,383	1,391	24,341
L02 - Improved public and private sector organisations' capacity to plan, implement and enhance the sustainability of food and agriculture and rural development investment operations	7,666	10,133	3,939	21,738
L03 - Quality assured public/private sector investment programmes, in line with national priorities and requirements, developed and financed	17,489	20,629	3,295	41,413
L - Increased and more effective public and private investment in agriculture and rural development	35,722	43,146	8,625	87,492
X01 - Effective programmes addressing Members' priority needs developed, resourced, monitored and reported at global, regional and national levels	39,887	5,175	7,208	52,270
X02 - Effective and coherent delivery of FAO core functions and enabling services across Organizational Results	86,661	3,684	1,917	92,263
X03 - Key partnerships and alliances that leverage and complement the work of FAO and partners	22,217	2,149	237	24,603

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
X04 - Effective direction of the Organization through enhanced governance and oversight	56,424	6,070	400	62,894
X - Effective collaboration with Member States and stakeholders	205,188	17,078	9,762	232,029
Y01 - FAO's support services are recognised as client-oriented, effective, efficient and well-managed	65,558	7,006	5,724	78,288
Y02 - FAO is recognised as provider of comprehensive, accurate, and relevant management information	24,472	2,215	3,110	29,797
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	19,211	7,898	0	27,109
Y - Efficient and effective administration	109,241	17,119	8,834	135,195
FAOR01 - Effective country network coverage and implementation in Africa	39,851	537	5,500	45,888
FAOR02 - Effective country network coverage and implementation in Asia Pacific	13,641	340	3,125	17,106
FAOR04 - Effective country network coverage and implementation in Latin America	14,948	641	3,250	18,839
FAOR05 - Effective country network coverage and implementation in Near East	6,643	181	500	7,324
FAOR07 - Effective country network coverage and implementation in Europe	2,110	0	125	2,235
FAOR - FAOR Programme	77,194	1,699	12,500	91,393
TCP01 - TCP Management and Support	4,292	0	0	4,292
TCP02 - TCP - Projects	104,929	0	0	104,929
TCP - Technical Cooperation Programme	109,221	0	0	109,221
601 - Contingencies	600	0	0	600
Contingencies	600	0	0	600
801 - Core ICT Infrastructure	1,884	0	0	1,884
802 - Corporate Administrative Applications	1,483	2,350	0	3,833
803 - Corporate Technical Applications	5,169	0	0	5,169
804 - Electronic Content and Document Management Systems	1,750	0	0	1,750
805 - IPSAS (including FAS)	10,700	0	0	10,700
806 - Management Information Systems	2,525	800	0	3,325
807 - Support Human Resources Management Framework	4,068	0	0	4,068
808 - Carryover	(5,000)	0	0	(5,000)
Capital Expenditure	22,579	3,150	0	25,729
901 - Safe and secure operating environment for headquarters programme delivery	11,333	188	0	11,521

Strategic/Functional Objective and Organizational Result	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
902 - Safe and secure operating environment for worldwide programme delivery	14,022	0	601	14,623
903 - Carryover	(1,400)	0	0	(1,400)
Security Expenditure	23,955	188	601	24,744
Total	945,965	247,189	1,017,751	2,210,906

**ANNEX IV: 2010-11 BUDGET PROPOSAL BY STRATEGIC/FUNCTIONAL
OBJECTIVE AND DEPARTMENT/OFFICE
(USD 000 AT 2008-09 RATES)**

Strategic/Functional Objective and Department/Office	Net Appropriation	Extra- budgetary	Total
A - Sustainable intensification of crop production	47,495	192,089	239,584
OEK - Office of Knowledge Exchange, Research and Extension	708	492	1,200
AG - Agriculture and Consumer Protection Department	33,347	24,963	58,310
ES - Economic and Social Development Department	1,243	622	1,865
NR - Natural Resources Management and Environment Department	218	0	218
TC - Technical Cooperation Department	1,642	117,365	119,007
FC - FAO Representations	0	24,939	24,939
RO - Regional Offices	3,247	17,958	21,206
SO - Subregional Offices	7,090	5,749	12,839
B - Increased sustainable livestock production	30,706	154,991	185,697
LEG - Legal and Ethics Office	247	43	290
OEK - Office of Knowledge Exchange, Research and Extension	399	984	1,383
AG - Agriculture and Consumer Protection Department	19,550	18,798	38,348
ES - Economic and Social Development Department	907	12	920
FI - Fisheries and Aquaculture Department	68	0	68
NR - Natural Resources Management and Environment Department	218	0	218
TC - Technical Cooperation Department	1,307	115,262	116,569
FC - FAO Representations	0	5,116	5,116
RO - Regional Offices	2,746	10,245	12,991
SO - Subregional Offices	5,263	4,532	9,795
C - Sustainable management and use of fisheries and aquaculture resources	53,867	87,685	141,553
LEG - Legal and Ethics Office	942	43	985
OEK - Office of Knowledge Exchange, Research and Extension	399	492	891
FI - Fisheries and Aquaculture Department	43,401	36,825	80,226
NR - Natural Resources Management and Environment Department	55	0	55
TC - Technical Cooperation Department	85	17,332	17,417
FC - FAO Representations	0	12,650	12,650
RO - Regional Offices	2,895	17,521	20,416
SO - Subregional Offices	6,091	2,822	8,914
D - Improved quality and safety of food at all stages of the food chain	23,935	18,163	42,098
LEG - Legal and Ethics Office	206	43	249
AG - Agriculture and Consumer Protection Department	19,880	6,824	26,704
ES - Economic and Social Development Department	0	12	12
FI - Fisheries and Aquaculture Department	324	0	324
TC - Technical Cooperation Department	0	2,424	2,424
FC - FAO Representations	0	7,294	7,294
RO - Regional Offices	2,137	888	3,025

Strategic/Functional Objective and Department/Office	Net Appropriation	Extra- budgetary	Total
SO - Subregional Offices	1,387	677	2,064
E - Sustainable management of forests and trees	41,288	78,084	119,372
LEG - Legal and Ethics Office	376	43	419
OEK - Office of Knowledge Exchange, Research and Extension	399	492	891
FO - Forestry Department	29,538	50,117	79,654
NR - Natural Resources Management and Environment Department	85	124	209
TC - Technical Cooperation Department	252	5,744	5,995
FC - FAO Representations	0	14,658	14,658
LO - Liaison Offices	834	0	834
RO - Regional Offices	3,466	2,958	6,424
SO - Subregional Offices	6,338	3,950	10,288
F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	51,557	84,837	136,394
LEG - Legal and Ethics Office	534	86	620
OEK - Office of Knowledge Exchange, Research and Extension	7,147	4,410	11,557
AG - Agriculture and Consumer Protection Department	2,778	277	3,055
ES - Economic and Social Development Department	1,433	200	1,633
FI - Fisheries and Aquaculture Department	55	0	55
FO - Forestry Department	85	0	85
NR - Natural Resources Management and Environment Department	28,385	33,239	61,623
TC - Technical Cooperation Department	433	18,610	19,043
FC - FAO Representations	0	21,752	21,752
RO - Regional Offices	5,289	5,867	11,157
SO - Subregional Offices	5,418	397	5,816
G - Enabling environment for markets to improve livelihoods and rural development	39,138	51,582	90,721
AG - Agriculture and Consumer Protection Department	9,277	1,020	10,297
ES - Economic and Social Development Department	23,359	5,287	28,646
NR - Natural Resources Management and Environment Department	21	0	21
TC - Technical Cooperation Department	0	17,925	17,925
FC - FAO Representations	0	17,801	17,801
RO - Regional Offices	3,039	2,755	5,794
SO - Subregional Offices	3,442	6,795	10,237
H - Improved food security and better nutrition	57,162	89,887	147,049
LEG - Legal and Ethics Office	755	163	918
OCE - Office of Corporate Communications and External Relations	0	4	4
OEK - Office of Knowledge Exchange, Research and Extension	9,105	2,514	11,619
AG - Agriculture and Consumer Protection Department	6,071	400	6,471
ES - Economic and Social Development Department	24,231	6,490	30,721
FI - Fisheries and Aquaculture Department	365	0	365
TC - Technical Cooperation Department	6,748	30,018	36,765
FC - FAO Representations	0	39,625	39,625

Strategic/Functional Objective and Department/Office	Net Appropriation	Extra- budgetary	Total
RO - Regional Offices	7,191	7,154	14,345
SO - Subregional Offices	2,696	3,519	6,215
I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,397	372,217	379,614
AG - Agriculture and Consumer Protection Department	1,535	10,214	11,749
ES - Economic and Social Development Department	2,727	2,689	5,416
FI - Fisheries and Aquaculture Department	330	0	330
NR - Natural Resources Management and Environment Department	104	0	104
TC - Technical Cooperation Department	2,057	354,754	356,811
FC - FAO Representations	0	1,962	1,962
RO - Regional Offices	127	1,598	1,726
SO - Subregional Offices	517	999	1,516
K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,721	12,703	22,423
LEG - Legal and Ethics Office	75	0	75
AG - Agriculture and Consumer Protection Department	82	0	82
ES - Economic and Social Development Department	7,782	2,813	10,594
TC - Technical Cooperation Department	160	3,000	3,160
FC - FAO Representations	0	6,811	6,811
RO - Regional Offices	1,178	0	1,178
SO - Subregional Offices	443	79	522
L - Increased and more effective public and private investment in agriculture and rural development	35,722	51,771	87,492
AG - Agriculture and Consumer Protection Department	1,093	0	1,093
ES - Economic and Social Development Department	608	252	860
NR - Natural Resources Management and Environment Department	412	0	412
TC - Technical Cooperation Department	31,568	45,578	77,146
FC - FAO Representations	0	3,591	3,591
RO - Regional Offices	196	100	296
SO - Subregional Offices	1,844	2,251	4,095
X - Effective collaboration with member states and stakeholders	205,188	26,840	232,029
ODG - Office of the Director-General	8,475	0	8,475
OED - Office of Evaluation	5,983	3,000	8,983
AUD - Office of the Inspector-General	9,113	2,105	11,218
LEG - Legal and Ethics Office	4,382	160	4,542
OCE - Office of Corporate Communications and External Relations	22,741	2,030	24,771
OSP - Office of Strategy, Planning and Resources Management	8,774	1,150	9,924
DDK - Deputy Director-General (Knowledge)	4,554	0	4,554
OEK - Office of Knowledge Exchange, Research and Extension	12,511	2,244	14,755
DDO - Deputy Director-General (Operations)	5,033	1,580	6,613
OSD - Office of Support to Decentralization	7,451	0	7,451
CIO - Chief Information Office	47,436	1,591	49,028
ES - Economic and Social Development Department	988	0	988
FI - Fisheries and Aquaculture Department	321	0	321

Strategic/Functional Objective and Department/Office	Net Appropriation	Extra- budgetary	Total
TC - Technical Cooperation Department	19,555	2,998	22,553
CS - Corporate Services, Human Resources, and Finance Department	24,667	4,005	28,673
LO - Liaison Offices	14,796	125	14,921
RO - Regional Offices	15,968	4,374	20,342
SO - Subregional Offices	8,078	1,478	9,555
AOS - Corporate Income	(15,636)	0	(15,636)
Y - Efficient and effective administration	109,241	25,953	135,195
OSP - Office of Strategy, Planning and Resources Management	499	0	499
DDK - Deputy Director-General (Knowledge)	1,147	1,150	2,297
FI - Fisheries and Aquaculture Department	125	0	125
CS - Corporate Services, Human Resources, and Finance Department	98,431	21,954	120,385
LO - Liaison Offices	147	0	147
RO - Regional Offices	19,268	700	19,968
SO - Subregional Offices	10,438	2,149	12,588
AOS - Corporate Income	(20,814)	0	(20,814)
FAOR - FAOR Programme	77,194	14,199	91,393
FC - FAO Representations	85,643	14,199	99,842
AOS - Corporate Income	(8,450)	0	(8,450)
TCP - Technical Cooperation Programme	109,221	0	109,221
TC - Technical Cooperation Department	1,309	0	1,309
RO - Regional Offices	2,636	0	2,636
SO - Subregional Offices	346	0	346
TP - Technical Cooperation Programme - Projects	104,929	0	104,929

ANNEX V: 2010-11 BUDGET PROPOSAL BY STRATEGIC/FUNCTIONAL OBJECTIVE AND REGION
(USD 000 AT 2008-09 RATES)

	Headquarters/ Global		Africa		Asia and Pacific		Europe and Central Asia		Latin America and the Caribbean		Near East		Total		
SO/FO	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
A	37,158	143,442	3,325	7,768	1,541	19,390	1,209	1,217	2,022	11,609	2,241	8,662	47,495	192,089	239,584
B	22,696	135,099	2,326	2,457	1,355	4,603	1,033	4,088	2,025	4,000	1,270	4,744	30,706	154,991	185,697
C	44,881	54,692	3,289	2,263	1,267	21,651	1,104	1,533	1,986	2,987	1,341	4,560	53,867	87,685	141,553
D	20,411	9,303	1,572	1,011	538	7,384	426	20	800	0	188	444	23,935	18,163	42,098
E	30,649	56,519	3,406	6,190	1,634	9,144	2,051	0	2,612	5,940	935	292	41,288	78,084	119,372
F	40,849	56,821	3,465	3,705	1,822	8,576	1,303	961	2,349	9,411	1,769	5,364	51,557	84,837	136,394
G	32,657	24,232	2,976	15,205	1,081	1,624	469	1,367	980	7,609	976	1,546	39,138	51,582	90,721
H	47,275	39,589	3,234	16,422	1,729	13,987	1,139	0	2,045	18,082	1,739	1,807	57,162	89,887	147,049
I	6,752	367,657	328	1,347	207	1,965	0	0	110	1,248	0	0	7,397	372,217	379,614
K	8,099	5,813	796	3,645	378	65	281	603	166	2,464	0	114	9,721	12,703	22,423
L	33,682	45,830	851	4,110	0	250	137	375	832	475	220	732	35,722	51,771	87,492
X	174,141	20,989	5,280	100	9,234	183	7,418	467	5,108	1,513	4,008	3,589	205,188	26,840	232,029
Y	71,037	21,844	6,760	600	7,353	0	13,002	1,860	7,406	1,205	3,684	444	109,241	25,953	135,195
FAOR	0	0	39,851	6,037	13,641	3,465	2,110	125	14,948	3,891	6,643	681	77,194	14,199	91,393
TCP	20,196	0	35,334	0	21,299	0	9,132	0	16,008	0	7,253	0	109,221	0	109,221
6	600	0	0	0	0	0	0	0	0	0	0	0	600	0	600
8	22,579	3,150	0	0	0	0	0	0	0	0	0	0	22,579	3,150	25,729
9	23,955	789	0	0	0	0	0	0	0	0	0	0	23,955	789	24,744
Total	637,618	985,769	112,793	70,859	63,076	92,287	40,815	12,614	59,396	70,432	32,267	32,980	945,965	1,264,941	2,210,906

**ANNEX VI: 2010-11 PROPOSAL BY ORGANIZATIONAL UNIT
(USD 000 AT 2008-09 RATES)**

Organizational Unit/Department	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
ODG - Office of the Director-General	8,475	0	0	8,475
OED - Office of Evaluation	5,983	0	3,000	8,983
AUD - Office of the Inspector-General	9,113	1,705	400	11,218
LEG - Legal and Ethics Office	7,516	580	0	8,096
OCE - Office of Corporate Communications and External Relations	22,741	2,034	0	24,775
OSP - Office of Strategy, Planning and Resources Management	9,272	700	450	10,422
DDK - Deputy Director-General (Knowledge)	5,701	1,150	0	6,851
OEK - Office of Knowledge Exchange, Research and Extension	30,668	11,628	0	42,295
DDO - Deputy Director-General (Operations)	5,033	1,580	0	6,613
OSD - Office of Support to Decentralization	7,451	0	0	7,451
CIO - Chief Information Officer Division	47,436	1,591	0	49,028
Total	159,389	20,968	3,850	184,207
AGD - Office of Assistant Director-General	4,826	2,616	0	7,442
AGA - Animal Production and Health Division	17,328	5,079	21,221	43,627
AGE - Joint FAO/IAEA Division	6,142	0	0	6,142
AGN - Nutrition and Consumer Protection Division	21,335	7,089	520	28,945
AGP - Plant Production and Protection Division	29,627	11,408	12,854	53,889
AGS - Rural Infrastructure and Agro-Industries Division	14,357	1,180	529	16,066
AG - Agriculture and Consumer Protection Department	93,614	27,372	35,124	156,110
ESD - Office of Assistant Director-General	2,464	0	0	2,464
ESA - Agricultural Development Economics Division	14,292	7,494	0	21,786
ESS - Statistics Division	15,437	2,500	275	18,212
EST - Trade and Markets Division	21,537	3,312	297	25,146

Organizational Unit/Department	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
ESW - Gender, Equity and Rural Employment Division	9,547	4,500	0	14,047
ES - Economic and Social Development Department	63,278	17,805	572	81,655
FID - Office of Assistant Director-General	3,334	14,330	0	17,664
FIE - Fisheries and Aquaculture Policy and Economics Division	21,893	6,071	55	28,019
FIM - Fisheries and Aquaculture Resources Use and Conservation Division	19,763	13,184	3,185	36,132
FI - Fisheries and Aquaculture Department	44,989	33,585	3,240	81,814
FOD - Office of Assistant Director-General	2,773	0	0	2,773
FOE - Forest Economics, Policy and Products Division	13,600	16,339	599	30,537
FOM - Forest Assessment, Management and Conservation Division	13,250	26,873	6,306	46,429
FO - Forestry Department	29,623	43,212	6,905	79,739
NRD - Office of Assistant Director-General	8,101	2,251	0	10,352
NRC - Environment, Climate Change and Bioenergy Division	10,304	8,777	5,049	24,130
NRL - Land and Water Division	11,093	14,129	3,157	28,378
NR - Natural Resources Management and Environment Department	29,498	25,157	8,206	62,861
TCD - Office of Assistant Director-General	10,177	2,343	307	12,827
TCE - Emergency Operations and Rehabilitation Division	934	574	669,554	671,063
TCI - Investment Centre Division	26,768	46,188	1,482	74,438
TCS - Policy and Programme Development Support Division	27,236	3,072	7,489	37,797
TC - Technical Cooperation Department	65,115	52,178	678,832	796,124
CSD - Office of Assistant Director-General	6,023	50	0	6,073
CSF - Finance Division	17,466	795	1,200	19,461
CSH - Human Resources Management Division	26,440	8,539	700	35,679
CSC - Conference, Council, and Protocol Affairs Division	24,667	4,005	0	28,673

Organizational Unit/Department	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
CSA - Administrative Services Division	36,907	4,260	5,150	46,317
CSS - Shared Services Centre – (Rome)	3,098	0	0	3,098
CSS - Shared Services Centre (Budapest)	8,498	0	1,260	9,758
CS - Corporate Services, Human Resources, and Finance Department	123,098	17,649	8,310	149,058
LOB - Liaison Office with the European Union and Belgium	1,146	0	0	1,146
LOG - Liaison Office with the United Nations, Geneva	3,789	0	0	3,789
LON - Liaison Office with the United Nations, New York	3,490	0	0	3,490
LOJ - Liaison Office with Japan, Yokohama	1,395	0	0	1,395
LOW - Liaison Office for North America, Washington, D.C.	4,452	125	0	4,577
LOR - Liaison Office with the Russian Federation	1,506	0	0	1,506
LO - Liaison Offices	15,778	125	0	15,903
TPI - TCP Projects - Inter-regional and Emergency Facility	18,887	0	0	18,887
TPA - TCP Projects - Africa	34,417	0	0	34,417
TPP - TCP Projects - Asia and the Pacific	20,650	0	0	20,650
TPL - TCP Projects - Latin America and the Caribbean	15,488	0	0	15,488
TPN - TCP Projects - Near East and North Africa	6,883	0	0	6,883
TPE - TCP Projects - Europe	8,604	0	0	8,604
TP - Technical Cooperation Programme - Projects	104,929	0	0	104,929
RAF - Regional Office for Africa (Accra)	15,266	27	2,445	17,738
SFC - Subregional Office for Central Africa	5,157	53	6,113	11,323
SFE - Subregional Office for Eastern Africa	5,997	85	1,081	7,163
SFS - Subregional Office for Southern Africa	6,239	400	1,608	8,247
SFW - Subregional Office for West Africa	5,866	200	733	6,800
FRA - FAORs in Africa	43,571	539	57,575	101,684

Organizational Unit/Department	Net Appropriation	Core Voluntary	Other Extra-budgetary	Total
Africa	82,096	1,304	69,555	152,955
RAP - Regional Office for Asia and the Pacific (Bangkok)	22,331	625	24,147	47,103
SAP - Subregional Office for the Pacific Islands	3,553	0	66	3,619
FAP - FAORs in Asia and the Pacific	15,753	340	67,109	83,202
Asia and Pacific	41,637	965	91,322	133,924
REU - Regional Office for Europe and Central Asia (Budapest)	7,133	110	1,320	8,563
SEC - Subregional Office for Central Asia	4,638	600	2,509	7,747
SEU - Subregional Office for Central and Eastern Europe	4,897	200	5,494	10,591
FEU - FAORs in Europe	2,193	0	1,122	3,315
Europe and Central Asia	18,861	910	10,444	30,216
RLC - Regional Office for Latin America and the Caribbean (Santiago)	14,890	700	17,731	33,320
SLC - Subregional Office for the Caribbean	4,645	345	5,623	10,613
SLM - Subregional Office for Central America	4,348	677	4,187	9,213
SLS - Multidisciplinary Team for South America	5,077	0	1,041	6,118
FLA - FAORs in Latin America and the Caribbean	17,146	641	39,486	57,274
Latin America and the Caribbean	46,106	2,363	68,069	116,538
RNE - Regional Office for the Near East and North Africa (Cairo)	9,766	77	24,937	34,780
SNO - Multidisciplinary Team for Oriental Near East	3,491	0	0	3,491
SNE - Subregional Office for North Africa	5,484	0	189	5,672
SNG - Subregional Office for the Gulf Countries	0	0	4,193	4,193
FNE - FAORs in the Near East	6,980	181	3,404	10,565
Near East	25,720	258	32,722	58,701
AOS - Corporate Income	(44,900)	0	0	(44,900)
Contingencies	600	0	0	600
Capital Expenditure	22,579	3,150	0	25,729
Security Expenditure	23,955	188	601	24,744
Total	945,965	247,189	1,017,751	2,210,906

**ANNEX VII: 2008-09 NET APPROPRIATION BY ORGANIZATIONAL UNIT
(AFTER EFFICIENCY SAVINGS) IN USD 000**

Org Unit/ Dept	Description	Net Appropriation
ODG	Office of the Director-General	11,400
UNC	Office of UN Coordination and MDG Follow-up	3,500
OCD	Office for Coordination and Decentralization	8,800
AUD	Office of the Inspector-General	7,000
LEG	Legal Office	6,600
PBE	Office of Programme, Budget and Evaluation	17,500
ODG	Office of the Director-General	54,800
AGD	Office of Assistant Director-General	4,900
AGA	Animal Production and Health Division	16,400
AGE	Joint FAO/IAEA Division	5,900
AGN	Nutrition and Consumer Protection Division	20,700
AGP	Plant Production and Protection Division	29,600
AGS	Rural Infrastructure and Agro-Industries Division	15,000
AG	Agriculture and Consumer Protection Department	92,500
ESD	Office of Assistant Director-General	2,500
ESA	Agricultural Development Economics Division	14,100
ESS	Statistics Division	14,300
EST	Trade and Markets Division	21,800
ESW	Gender, Equity and Rural Employment Division	9,600
ES	Economic and Social Development Department	62,300
FID	Office of Assistant Director-General	2,600
FIE	Fisheries and Aquaculture Economics and Policy Division	17,900
FII	Fish Products and Industry Division	10,700
FIM	Fisheries and Aquaculture Management Division	13,500
FI	Fisheries and Aquaculture Department	44,700
FOD	Office of Assistant Director-General	2,600
FOE	Forest Economics and Policy Division	10,100
FOI	Forest Products and Industry Division	8,500
FOM	Forest Management Division	8,100
FO	Forestry Department	29,300
NRD	Office of Assistant Director-General	9,200
NRC	Environment, Climate Change and Bioenergy Division	9,000
NRL	Land and Water Division	13,500
NRR	Research and Extension Division	6,300
NR	Natural Resources Management and Environment Department	38,000
TCD	Office of Assistant Director-General	5,600
TCA	Policy Assistance and Resources Mobilization Division	13,100
TCE	Emergency Operations and Rehabilitation Division	1,300

Org Unit/ Dept	Description	Net Appropriation
TCI	Investment Centre Division	25,700
TCO	Field Operations Division	24,000
TCP	Technical Cooperation Programme	104,000
TC	Technical Cooperation Department	173,700
AFD*	Office of Assistant Director-General	21,900
AFF	Finance Division	20,700
AFH	Human Resources Management Division	15,600
AFS	Administrative Services Division	38,200
AF	Department of Human, Financial and Physical Resources	96,400
KCD	Office of Assistant Director-General	2,800
KCC	Conference, Council, and Protocol Affairs Division	19,500
KCE	Knowledge Exchange and Capacity Building Division	18,200
KCI	Communication Division	23,000
KCT	Information Technology Division	38,100
KC	Knowledge and Communication Department	101,600
LOB	Liaison Office with the European Union and Belgium	1,100
LOG	Liaison Office with the United Nations, Geneva	3,800
LON	Liaison Office with the United Nations, New York	3,500
LOJ	Liaison Office with Japan	1,400
LOW	Liaison Office for North America, Washington, D.C.	4,400
LOR	Liaison Office in Russia	1,500
LO	Liaison Offices	15,700
RAF	Regional Office for Africa (Accra)	14,000
SFC	Subregional Office for Central Africa	5,800
SFE	Subregional Office for Eastern Africa	6,400
SFS	Subregional Office for Southern Africa	6,500
SFW	Subregional Office for West Africa	5,200
FRA	FAORs in Africa Region	43,600
Africa Region		81,500
RAP	Regional Office for Asia and the Pacific (Bangkok)	21,500
SAP	Subregional Office for the Pacific Islands	3,000
FAP	FAORs in Asia and the Pacific Region	15,800
Asia and the Pacific Region		40,300
REU	Regional Office for Europe and Central Asia (Budapest)	6,600
SEC	Subregional Office for Central Asia	5,100
SEU	Subregional Office for Central and Eastern Europe	5,400
FEU	FAORs in Europe and Central Asia Region	2,200
Europe and Central Asia Region		19,300
RLC	Regional Office for Latin America and the Caribbean (Santiago)	14,100
SLC	Subregional Office for the Caribbean	5,000
SLM	Subregional Office for Central America	5,200
SLS	Multidisciplinary Team for South America	5,400

Org Unit/ Dept	Description	Net Appropriation
FLA	FAORs in Latin America and the Caribbean Region	17,200
Latin America and the Caribbean Region		46,900
RNE	Regional Office for the Near East and North Africa (Cairo)	12,200
SNE	Subregional Office for North Africa	3,900
FNE	FAORs in Near East Region	7,000
Near East Region		23,100
CONT	Contingencies	600
MDA	Resources for Multidisciplinary Work	3,100
PBX	Redeployment Costs	3,600
AOS	Income	(41,000)
8	Capital Expenditure	20,100
9	Security Expenditure	23,300
Total		929,800

* The resources for the Shared Services Centre (CSS) in Budapest are included under AFD

ANNEX VIII: CORE VOLUNTARY CONTRIBUTIONS

322. As introduced in *Section I.A*, *Core Voluntary Contributions* are the estimated extra-budgetary 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 previous PWBs as “Direct Support to the Regular Programme”);
- non-project contributions from partners (e.g. World Bank Cooperative Programme, WHO contribution to Codex); and
- resources for implementation of the Immediate Plan of Action (IPA) in 2010-11 that are not included under the Net Appropriation.

323. This Annex provides additional information on the resources included under *Core Trust Fund Projects* and *Core Non-project Contributions*. Information on the IPA is provided in *Section II.A*.

Core Trust Fund projects

324. 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; (v) Associate Professional Officers at headquarters; and (vi) other core activities.

325. The table below provides the breakdown of resource estimates in the PWB 2010-11 for core trust fund projects.

Description	2010-11 Estimates (USD)
Development of methodologies and guidelines	31,658
Global initiatives and partnerships	82,716
Information collection, analysis and dissemination	31,951
Committees, Commissions and Supervisory Bodies	14,719
Associate Professional Officers at Headquarters	2,470
Other core activities	13,733
Total	177,247

326. Examples of the main core trust fund projects expected to be active in 2010-11, showing the estimated extra-budgetary contribution and the Strategic/Functional Objectives supported, are provided below.

Development of methodologies and guidelines

- IGAD Livestock Policy Initiative: USD 1.24 million (SO B)
- FAO/WHO Global Initiative for Food-related Scientific Advice Facility (GIFSA): USD 2.64 million (SO D)
- Promotion of community-based forest enterprises: USD 4.0 million (SO E)
- Conservation and Adaptive Management of Globally Important Agricultural Heritage Systems (GIAHS): USD 1.55 million (SO F)
- Support for formulating FAO’s Voluntary Guidelines for responsible governance of tenure of land and other natural resources: USD 1.95 million (SO F)

Global initiatives and partnerships

- 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 2.6 million (SO A)
- Africa Package of Fisheries Department: USD 5.9 million (SO C)
- National Forest Programme Facility: USD 6.48 million (SO E)
- Forest Law Enforcement, Governance and Trade Support Programme for ACP Countries (FLEGT-ACP): USD 5.5 million (SO E)
- Strengthening national, regional and sub-regional capacities for monitoring and assessing forestry resources: USD 10.0 million (SO-E)
- FAO/SIDA Partnership Cooperation within the Field of Rural Development Pilot Phase 2008-2009 - Knowledge Management and Capacity Building Component - (KCEFD): USD 0.6 million (SO G)
- FAO/Belgium Partnership Programme 2008-2011 in the Field of Knowledge Management and Gender - Capitalisation des outils en matière de sécurité alimentaire et genre: USD 2.0 million (SO H)

Information collection, analysis and dissemination

- Establishment of ICU for prevention and risk analysis of the food chain (plant, animal and nutrition): USD 1.28 million (SOs A, B, D)
- Strengthening the Knowledge Base for and Implementing an Ecosystem Approach to Marine Fisheries in Developing Countries: USD 2.8 million (SO C)
- Strengthening Forest Resources Management and Enhancing its Contribution to Sustainable Development, Land Use and Livelihoods: USD 5.0 million (SO E)
- Contribution to the Global Forest Resources Assessment Programme: USD 3.82 million (SO E)
- Land Degradation Assessment in Drylands: USD 1.29 million (SO F)

Committees, Commissions and Supervisory Bodies

- International Treaty on Plant Genetic Resources for Food and Agriculture: USD 2.2 million (SO A)
- Foot-and-Mouth Disease: USD 0.7 million (SO B)
- Indian Ocean Tuna Commission: USD 1.8 million (SO C)
- Support to the General Fisheries Commission for the Mediterranean (GFCM): USD 1.4 million (SO C)
- Global Forum on Agricultural Research Secretariat - Core Activities (ex NARS): USD 2.16 million (SO F)

Associate Professional Officers

- 51 officers assigned to headquarters: USD 2.47 million

Other Direct Support to Regular Programme of Work

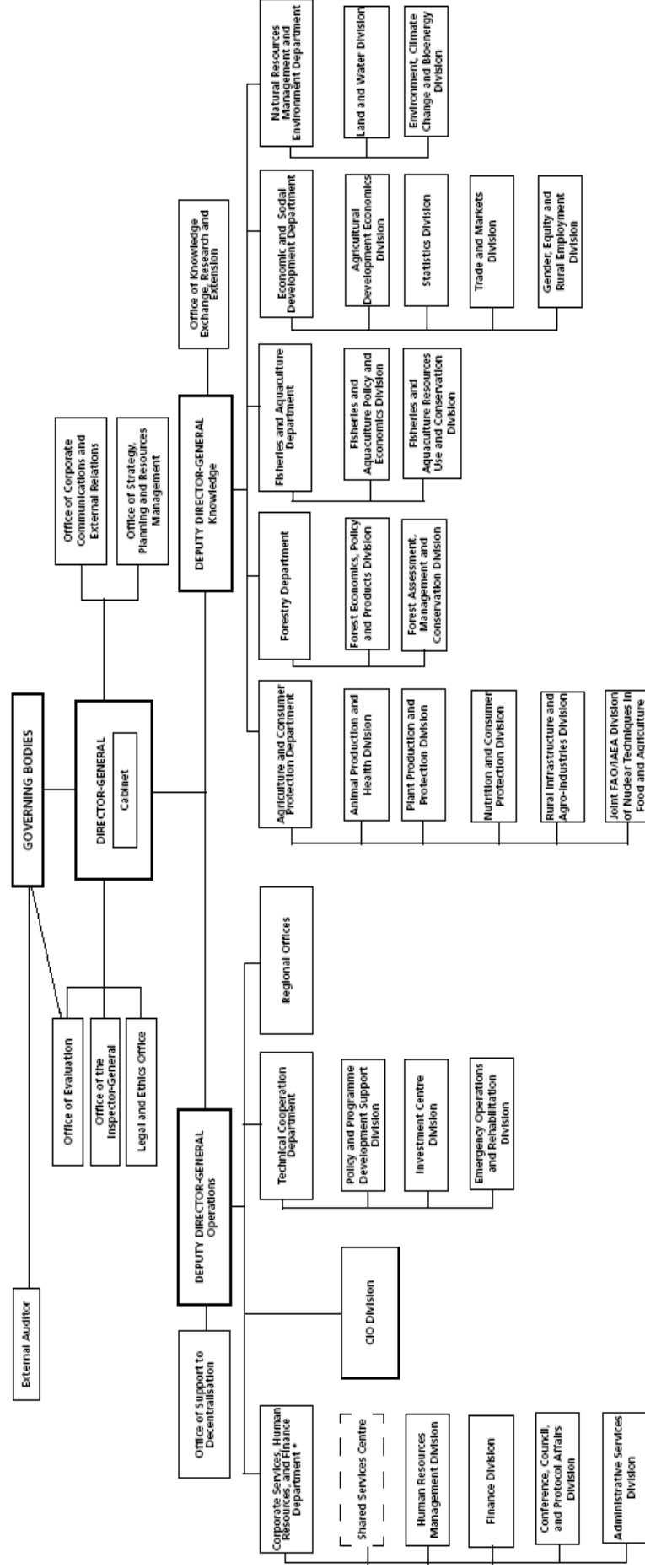
- Support to the use of Russian in FAO: USD 2.59 million (SO X)
- Social Security Trust Fund: USD 1.7 million (SO Y)

Core non-project contributions

327. 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	2010-11 Estimates (USD 000)	Main SO/FO supported
World Bank	26,048	L
Other International Financing Institutions	5,600	L
Other Jointly Funded Activities (CODEX)	1,225	D
Government Cash Contributions	4,199	Y
Sundry	13,004	L, Y
Investment Earnings	795	Y
Total	50,871	

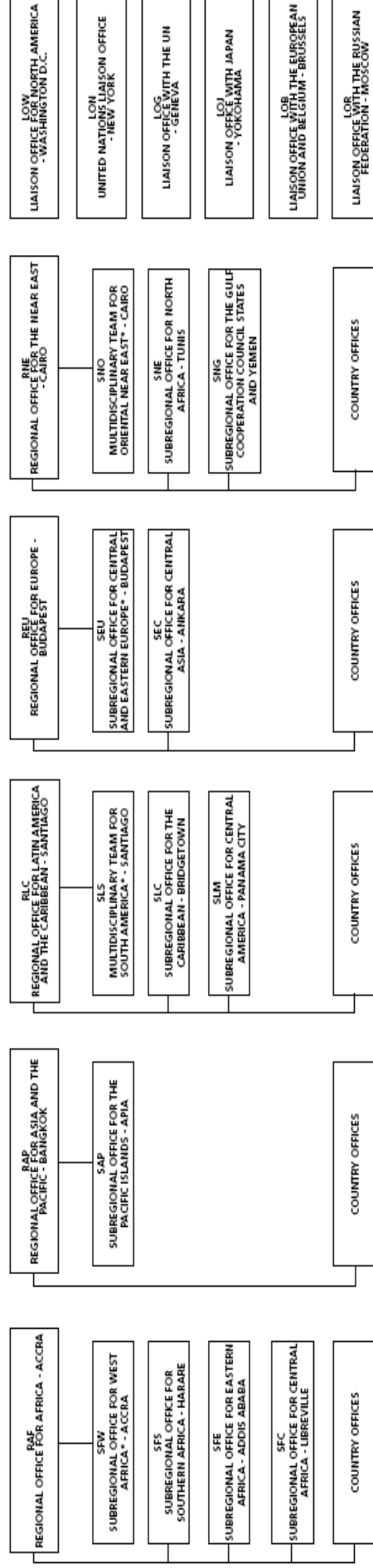
ANNEX IX - HQ ORGANIGRAMMES



* Structure and functions of Corporate Services, Human Resources, and Finance Department subject to further adjustments.

Service

ANNEX IX (Cont.) - DECENTRALIZED ORGANIGRAMMES



* Co-located in Regional Office

ANNEX X: POST COUNTS BY GRADE GROUP AND ORGANIZATIONAL UNIT

Organizational Unit	PWB 2010-11				Total
	D	P	N	G	
Office of the Director-General (ODG)	3	7	-	14	24
Office of Evaluation (OED)	1	7	-	3	11
Office of the Inspector-General (AUD)	2	14	-	5	21
Legal and Ethics Office (LEG)	2	11	-	9	22
Office of Corporate Communications and External Relations (OCE)	2	31	-	24	57
Office of Strategy, Planning and Resources Management (OSP)	2	12	-	5	19
Deputy Director-General (Knowledge) (DDK)	1	2	-	2	5
Office of Knowledge Exchange, Research and Extension (OEK)	1	60	-	33	94
Deputy Director-General (Operations) (DDO)	1	2	-	2	5
Office of Support to Decentralization (OSD)	2	7	-	9	18
Chief Information Officer Division (CIO)	2	65	12	40	119
Total	19	218	12	146	395
Office of Assistant Director-General (AGD)	1	3	-	7	11
Animal Production and Health Division (AGA)	2	26	-	11	39
Joint FAO/IAEA Division (AGE)	1	8	-	-	9
Nutrition and Consumer Protection Division (AGN)	3	29	-	19	51
Plant Production and Protection Division (AGP)	3	41	-	28	72
Rural Infrastructure and Agro-Industries Division (AGS)	1	26	-	11	38
Total Agriculture and Consumer Protection Department (AG)	11	133	-	76	220
Office of Assistant Director-General (ESD)	1	1	-	5	7
Agricultural Development Economics Division (ESA)	2	22	-	12	36
Statistics Division (ESS)	2	25	-	26	53
Trade and Markets Division (EST)	2	35	-	27	64
Gender, Equity and Rural Employment Division (ESW)	2	15	-	7	24
Total Economic and Social Development Department (ES)	9	98	-	77	184
Office of Assistant Director-General (FID)	1	1	-	6	8
Fisheries and Aquaculture Policy and Economics Division (FIE)	3	34	-	29	66
Fisheries and Aquaculture Resources Use and Conservation Division (FIM)	2	33	-	20	55
Total Fisheries and Aquaculture Department (FI)	6	68	-	55	129
Office of Assistant Director-General (FOD)	1	1	-	5	7
Forest Economics, Policy and Products Division (FOE)	2	23	-	10	35
Forest Assessment, Management and Conservation Division (FOM)	2	20	-	11	33
Total Forestry Department (FO)	5	44	-	26	75
Office of Assistant Director-General (NRD)	2	6	-	12	20
Environment, Climate Change and Bioenergy Division (NRC)	2	17	-	9	28
Land and Water Division (NRL)	2	18	-	9	29
Total Natural Resources Management and Environment Department (NR)	6	41	-	30	77

Organizational Unit	PWB 2010-11				Total
	D	P	N	G	
Office of Assistant Director-General (TCD)	2	12	-	21	35
Emergency Operations and Rehabilitation Division (TCE)	1	1	-	-	2
Investment Centre Division (TCI)	5	63	-	32	100
Policy and Programme Development Support Division (TCS)	4	35	-	23	62
Total Technical Cooperation Department (TC)	12	111	-	76	199
Office of Assistant Director-General (CSD)	2	13	-	65	80
Finance Division (CSF)	2	28	-	26	56
Human Resources Management Division (CSH)	3	27	-	45	75
Conference, Council, and Protocol Affairs Division (CSC)	2	42	-	71	115
Administrative Services Division (CSA)	2	15	-	73	90
Shared Services Centre (Rome)	1	6	-	4	11
Shared Services Centre (Budapest)	-	10	-	84	94
Total Corporate Services, Human Resources, and Finance Department (CS)	12	141	-	368	521
FAO Representations	37	39	159	480	715
Liaison Office with the United Nations, Geneva (LOG)	1	4	-	4	9
Liaison Office for North America, Washington, D.C. (LOW)	1	3	-	11	15
Liaison Office with the United Nations, New York (LON)	1	3	-	5	9
Liaison Office with the European Union and Belgium (LOB)	2	1	-	1	4
Liaison Office with Japan (LOJ)	1	1	-	1	3
Liaison Office in Russia (LOR)	1	1	-	1	3
Liaison Offices Total	7	13	-	23	43
Regional Office for Africa (Accra) (RAF)	1	22	1	39	63
Subregional Office for Eastern Africa (SFE)	1	8	2	6	17
Subregional Office for Southern Africa (SFS)	1	9	2	9	21
Subregional Office for Central Africa (SFC)	1	7	2	3	13
Subregional Office for West Africa (SFW)	1	7	1	5	14
Africa Region Total	5	53	8	62	128
Regional Office for Asia and the Pacific (Bangkok) (RAP)	2	40	-	75	117
Subregional Office for the Pacific Islands (SAP)	1	6	-	7	14
Asia and the Pacific Region Total	3	46	-	82	131
Regional Office for Europe and Central Asia (Budapest) (REU)	1	11	1	15	28
Subregional Office for Central Asia (SEC)	1	7	2	6	16
Subregional Office for Central and Eastern Europe (SEU)	1	6	1	5	13
Europe and Central Asia Region Total	3	24	4	26	57
Regional Office for Latin America and the Caribbean (Santiago) (RLC)	1	21	-	48	70
Subregional Office for the Caribbean (SLC)	1	6	2	9	18
Subregional Office for Central America (SLM)	1	7	2	5	15
Multidisciplinary Team for South America (SLS)	1	8	1	2	12
Latin America and the Caribbean Region Total	4	42	5	64	115

Organizational Unit	PWB 2010-11				Total
	D	P	N	G	
Regional Office for the Near East and North Africa (Cairo) (RNE)	1	17	1	29	48
Multidisciplinary Team for Oriental Near East (Cairo) (SNO)	1	5	1	5	12
Subregional Office for North Africa (SNE)	1	8	2	12	23
Near East and North Africa Region Total	3	30	4	46	83
Grand Total	142	1,100	192	1,635	3,069

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 4*, which shows the evolution of posts by location and grade category, the above table provides post category counts by Organizational Unit. Consequently:
 - the 30 professional staff outposted in the PWB 2010-11 (4 auditors, 3 information officers, 3 technical officers and 20 Programmers/IT Specialists under the CIO planning authority) are included in their HQ department totals; and
 - Shared Services Centre posts in Budapest Hub are included in headquarters counts under CS, while Shared Services Centre posts in Santiago and Bangkok Hubs (1 P and 10 G and 1 P and 12 G respectively) 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 XI: NET APPROPRIATION BY ORGANIZATIONAL RESULT BEFORE
AND AFTER COST INCREASES (USD 000)**

SO/FO and Organizational Result	Net Appropriation before cost increases	Cost Increases	Net Appropriation after cost increases
A01	18,311	886	19,197
A02	13,139	777	13,917
A03	6,767	358	7,124
A04	9,278	451	9,729
A	47,495	2,472	49,967
B01	10,320	514	10,834
B02	11,774	644	12,418
B03	6,219	349	6,568
B04	2,392	108	2,500
B	30,706	1,615	32,321
C01	18,194	889	19,083
C02	7,333	436	7,770
C03	7,312	367	7,680
C04	9,400	465	9,864
C05	5,196	234	5,430
C06	6,432	290	6,722
C	53,867	2,682	56,549
D01	12,802	601	13,403
D02	3,338	170	3,509
D03	4,168	218	4,386
D04	3,627	186	3,813
D	23,935	1,175	25,111
E01	9,318	378	9,696
E02	5,699	301	6,000
E03	6,413	317	6,729
E04	5,702	267	5,969
E05	7,074	293	7,367
E06	7,082	369	7,452
E	41,288	1,926	43,213
F01	10,348	568	10,916
F02	11,023	669	11,692
F03	4,432	183	4,615
F04	4,866	198	5,064
F05	12,102	626	12,728
F06	8,786	376	9,162
F	51,557	2,619	54,176
G01	9,240	529	9,768
G02	2,786	119	2,905
G03	7,009	434	7,443
G04	20,103	999	21,103
G	39,138	2,081	41,219
H01	15,147	828	15,975
H02	3,922	189	4,110
H03	3,489	185	3,674
H04	11,336	552	11,889
H05	23,268	1,036	24,304
H	57,162	2,790	59,952

SO/FO and Organizational Result	Net Appropriation before cost increases	Cost Increases	Net Appropriation after cost increases
I01	4,391	206	4,597
I02	1,934	94	2,028
I03	1,072	69	1,141
I	7,397	369	7,766
K01	1,966	76	2,042
K02	2,396	131	2,527
K03	3,057	147	3,204
K04	2,302	116	2,417
K	9,721	469	10,190
L01	10,566	713	11,279
L02	7,666	470	8,136
L03	17,489	1,144	18,633
L	35,722	2,326	38,048
X01	39,887	2,830	42,716
X02	86,661	3,508	90,170
X03	22,217	134	22,351
X04	56,424	2,924	59,347
X	205,188	9,395	214,584
Y01	65,558	3,067	68,625
Y02	24,472	1,417	25,889
Y03	19,211	503	19,714
Y	109,241	4,987	114,228
FAOR01	39,851	6,416	46,267
FAOR02	13,641	884	14,525
FAOR04	14,948	2,514	17,462
FAOR05	6,643	1,152	7,796
FAOR06	0	0	0
FAOR07	2,110	89	2,199
FAOR	77,194	11,055	88,248
TCP01	4,292	297	4,589
TCP02	104,929	2,070	106,999
TCP	109,221	2,367	111,588
601	600	0	600
6	600	0	600
801	1,884	82	1,966
802	1,483	64	1,547
803	5,169	224	5,393
804	1,750	87	1,837
805	10,700	358	11,058
806	2,525	35	2,560
807	4,068	168	4,236
808	(5,000)	0	(5,000)
8	22,579	1,018	23,597
901	11,333	277	11,610
902	14,022	324	14,345
903	(1,400)	0	(1,400)
9	23,955	601	24,556
Total	945,965	49,949	995,914

List of Acronyms

APEC	Asia-Pacific Economic Cooperation
APRC	Regional Conference for Asia and the Pacific
AQUASTAT	Information System on Water and Agriculture
AqN	Aquaculture Networks
ASMC	After-Service Medical Coverage
CBD	Convention on Biological Diversity
CCA	Common Country Assessment
CCRF	Code of Conduct for Responsible Fisheries
CDM	Clean Development Mechanism
CFS	Committee on World Food Security
CGIAR	Consultative Group on International Agricultural Research
CGRFA	Commission on Genetic Resources for Food and Agriculture
CMC-FC	Crisis Management Centre for the Food Chain
COAG	Committee on Agriculture
CoC-IEE	Conference Committee for the Follow-up to the Independent External Evaluation of FAO
COFI	Committee on Fisheries
COFO	Committee on Forestry
CountrySTAT	National Statistical Information System for food and agriculture
CPF	Collaborative Partnership on Forests
CPM	Commission on Phytosanitary Measures
CSD	Commission on Sustainable Development
CSO	Civil Society Organization
CWGER	Cluster Working Group on Early Recovery
DO	Decentralized Office
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EAF	Ecosystem Approach to Fisheries
ECTAD	Emergency Centre for Transboundary Animal Disease Operations
EIU	Economist Intelligence Unit
EMPRES	Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases
ERP	Enterprise Resource Planning
FAOSTAT	Corporate Database for Substantive Statistical Data
FAS	Field Accounting System
FEWS	Famine Early Warning System

FIVIMS	Food Insecurity and Vulnerability Information and Mapping Systems
FRA	Global Forest Resources Assessment
FSARD	Food and Sustainable Agricultural and Rural Development
GBEP	Global Bioenergy Partnership
GEF	Global Environment Facility
GFAR	Global Forum on Agricultural Research
GFDRR	Global Facility for Disaster Reduction and Recovery
GF-TADs	Global Framework for the Progressive Control of Transboundary Animal Diseases
GIEWS	FAO Global Information and Early Warning System on Food and Agriculture
GLEWS	Global Early Warning and Response System for Transboundary Animal Diseases
GPA–AnGR	Global Plan of Action on Animal Genetic Resources
GPA-PGRFA	Global Plan of Action for the Conservation and Sustainable Utilisation of Plant Genetic Resources for Food and Agriculture
IASC	Inter-Agency Standing Committee
IASMN	Inter-Agency Security Management Network
IATA	International Air Transport Association
ICARRD	International Conference on Agrarian Reform and Rural Development
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
IFAP	International Federation of Agricultural Producers
IFI	International Financing Institution
IFPRI	International Food Policy Research Institute
IGO	Intergovernmental Organization
IHR	International Health Regulations
IIASA	International Institute for Applied Systems Analysis
ILO	International Labour Organization
IMO	International Maritime Organization
INFOODS	International Network of Food Data Systems
INFOSAN	International Food Safety Authorities Network
IPC	Integrated Food Security Phase Classification
IPFSAPH	International Portal on Food Safety, Animal and Plant Health
IPM	Integrated Pest Management
IPSAS	International Public Sector Accounting Standards
ISPM	International Standards for Phytosanitary Measures
IT-PGRFA	International Treaty on Plant Genetic Resources for Food and Agriculture
ITWG-AnGR	Intergovernmental Technical Working Group on Animal Genetic Resources for Food and Agriculture
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco,

	and Allied Workers Associations
IUU fishing	Illegal, Unreported and Unregulated fishing
JAC/MC	Joint Advisory Committee on Medical Coverage
JECFA	Joint FAO/WHO Expert Committee on Food Additives
JECN	Joint FAO/WHO Expert Committee on Nutrition
JEMRA	Joint FAO/WHO Expert Meetings on Microbiological Risk Assessment
JMPM	Joint FAO/WHO Meeting on Pesticide Management
JMPR	Joint FAO/WHO Meeting on Pesticide Residues
JMPS	FAO/WHO Joint Meeting on Pesticide Specifications
LDC	Least Developed Country
LIFDC	Low-Income Food-Deficit Country
MASSCOTE	Mapping systems and services for canal operation techniques
MDG	Millennium Development Goal
MORSS	Minimum Operating Residential Security Standards
MRA	Microbiological Risk Assessment
MTP	Medium Term Plan
NGO	Non-governmental Organization
NFMA	National Forest Monitoring and Assessment
NISM	National Information Sharing Mechanisms
NMTPF	National Medium Term Priority Framework
NPFS	National Programme for Food Security
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OECD/DAC	Organisation for Economic Co-operation and Development - Development Assistance Committee
OIE	World Organisation for Animal Health
PEMS	Performance Evaluation and Management System
PES	Payments for Environmental Services
PGRFA	Plant Genetic Resources for Food and Agriculture
PIRES	Programme, Planning, Implementation Reporting and Evaluation Support System
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PWB	Programme of Work and Budget
RBM	Results-based Management
RBR	Root and Branch Review
REDD	Reducing Emissions from Deforestation and Forest Degradation
REIOs	Regional Economic Integration Organizations
RFBs	Regional Fishery Bodies

RO	Regional Office
RPFS	Regional Programmes on Food Security
RSB	Roundtable on Sustainable Biofuels
RTF	Right to Food
SEAGA	Socio-economic and Gender Analysis Programme
SFERA	Special Fund for Emergency and Rehabilitation Activities
SFM	Sustainable Forest Management
SLA	Service-level Agreement
SME	Small and Medium Enterprise
SMT-IPA	Senior Management Team-Immediate Plan of Action
SOFA	The State of Food and Agriculture
SOFI	The State of Food Insecurity in the World
SOLAW	State of the World Land and Water Resources
SPS	Sanitary and Phytosanitary Measures
SRO	Subregional Office
TBT	Technical Barriers to Trade
TECA	Technology for Agriculture
TPF	Terminal Payments Fund
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Programme
UNFF	United Nations Forum on Forests
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISDR	United Nations International Strategy for Disaster Reduction
USAID	United States Agency for International Development
VAM	Vulnerability Analysis and Mapping
WAICENT	World Agricultural Information Centre
WALS	Water and Land Resources
WCF	Working Capital Fund
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

