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CONFERENCE

Thirty-fifth (Special) Session

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**REPORT OF THE CONFERENCE COMMITTEE
ON FOLLOW-UP TO THE INDEPENDENT EXTERNAL EVALUATION
OF FAO (CoC-IEE)
IMMEDIATE PLAN OF ACTION**

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Acronyms

ADG	Assistant Director-General
APEC	Asia-Pacific Economic Cooperation
AQUASTAT	Global Information System on Water and Agriculture
ARD	Agricultural and Rural Development
CBD (or UN-CBD)	United Nations Convention on Biological Diversity
CCLM	Committee on Constitutional and Legal Matters
CCP	Committee on Commodity Problems
CCRF	Code of Conduct for Responsible fisheries
CDM	Clean Development Mechanism
CFS	Committee on World Food Security
CGRFA	Commission on Genetic Resources for Food and Agriculture
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COAG	Committee on Agriculture
COFI	Committee on Fisheries
CPF	Collaborative Partnership on Forests
DG	Director-General
DDG	Deputy Director-General
FAO	Food and Agriculture Organization of the United Nations
FAOR	FAO Representative
FFS	Farmer Field Schools
GAD PoA	Gender and Development Plan of Action
GEF	Global Environment Facility
GHG	Greenhouse gas
GPA	Global Plan of Action
IAEA	International Atomic Energy Agency
ICR	Implementation Completion Report
IEE	Independent External Evaluation of FAO
IFAs	Impact Focus Areas
IFI	International Financing Institution
IMO	International Maritime Organization
IPM	Integrated Pest Management
IPPC	International Plant Protection Convention
IPSAS	International Public Sector Accounting Standards
ISPM	International Standards for Phytosanitary Measures
IT-PGRFA	International Treaty on the Plant Genetic Resources for Food And Agriculture
IUU	Illegal, Unreported and Unregulated
JECFA	Joint FAO/WHO Expert Committee on Food Additives

JEMRA	Joint FAO/WHO Expert Meetings on Microbiological Risk Assessment
JIU	Joint Inspection Unit
JMPR	Joint Meeting on Pesticide Residues
JMPR	Joint FAO/WHO Meetings on Pesticide Residues
LDC	Least Developed Country
MASSCOTE	Mapping System and Services for Canal Operation Techniques
MTP	Medium Term Plan
NMTPF	National Medium-Term Priority Frameworks
NPFS	National Programme for Food Security
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OR	Organizational Result
PCE	Phytosanitary Capacity Evaluation
PCR	Project Completion Report
PGRFA	Plant Genetic Resources for Food And Agriculture
PoA	Plan of Action
Prog	Program
PRSP	Poverty Reduction Strategy Paper
PWB	Programme of Work and Budget
RBM	Results Based Management
RBR	Root and Branch Review
REDD	Reduce Deforestation and Forest Degradation
Res Mob Strat	Resource Mobilization Strategy
RFMO	Regional Fisheries Management Organizations
RPFS	Regional Programme for Food Security
SEAGA	Socio-economic and Gender Analysis
SF	Strategic Framework
SO	Strategic Objective
SOCO	State of Agricultural Commodity Markets
SOFA	The State of Food and Agriculture
SOFI	The State of Food Insecurity in the World
SPS	WTO Agreement on Sanitary and Phytosanitary Measures
SSC	Shared Services Center
TBT	WTO Agreement on Technical Barriers to Trade
UN-CSD	United Nations Commission on Sustainable Development
UNCTAD	United Nations Conference on Trade and Development
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
WHO	World Health Organization
WIEWS	World Information and Early Warning System on Plant Genetic Resources for Food and Agriculture
WTO	World Trade Organization

CHAIR'S FOREWORD

- 1) The Independent External Evaluation concluded that the world needed FAO, but a reformed FAO to address the challenges our planet faces. Both the challenge and the opportunity grew as it was appreciated that we are facing high food prices, with the potentials for agriculture and threats to adequate food for all consumers. Only FAO provides the global forum on food and agriculture and brings together the full range of technical disciplines to integrate the technical and policy response in addressing agriculture's challenges in the 21st century; The challenge of sustainably providing affordable food to a world population increased by 50 percent by 2050 and lifting small farmers and agricultural labourers out of poverty.
- 2) At its 34th Session in November 2007, the FAO Conference set us a demanding task. The Independent External Evaluation gave its principal conclusion in three words, "Reform with Growth". In less than a year, on the basis of the report of that evaluation, we were to chart the future course of the Organization, a course of FAO renewal which had the ownership of the membership and also of the management and staff of the Organization.
- 3) It is my belief that we have responded to that challenge and our product is before you in this report. Members and management have worked closely together to formulate what is probably the most far reaching reform ever contemplated of a major UN agency. I thank the membership for the confidence it placed in me to chair this process and their tireless and invaluable contribution to all aspects of our work. My especial appreciation is extended to the Vice-Chairs of the Conference Committee for the Follow-up to the IEE, the Chairs, Vice-Chairs and spokespersons and members of the Working Groups, the members of the Bureau, our Conference Committee secretariat and to the FAO senior management. Without the unstinting support and long hours of work by all concerned, this comprehensive Immediate Plan of Action would not have been produced.
- 4) Now our Immediate Plan of Action must be implemented, pragmatically adjusting as necessary and going further where possible. In moving forward we must be aware of and guard against the risks, tempering our optimism with realism:
 - a) If the improvements foreseen are to be realised without loss of momentum, resources must be available to kick start the process. For 2009 these will need to come primarily from voluntary extra-budgetary contributions. If the voluntary funding is not forthcoming, or is delayed, the start-up of reform will be pushed back, actions will fall out of sequence and membership, the Management and the staff may start to lose confidence;
 - b) There could be too much haste and not enough speed in implementation. Excessive demands could be made to begin implementation on all fronts simultaneously overloading the capacities for development, implementation and oversight of both the FAO secretariat and the Governing Bodies; and
 - c) Major challenges face the world, not least those directly impacting on the poor and hungry. In trying to tackle these, the membership and the Management could let their attention slip from the agenda of FAO renewal, the implementation of the Immediate Plan of Action.
- 5) Through this report, our Immediate Plan of Action (IPA) 2009-11 is presented to the Special Session of the Conference for its approval. We set the framework for an ongoing

process of change to meet the ever emerging challenges for the Organization's contribution in food, agriculture and feeding the world. A clear timetable is provided for the first steps on that road. Now the work really begins for implementation. This will require the continued concentration of managers at all levels, the consistent commitment of the FAO Governing Bodies and partnership from others, not only one way partnership from FAO. Our Organization, FAO is urgently needed as a reformed, efficient and effective partner in the multilateral system, assisting the world towards a better future. As emphasised above, we must find the resources to implement our Immediate Plan of Action in order to increase the cost-effective impact of FAO in all our interests. Our attention must not slip. As Chair of your process, my appeal to you all is to "Make FAO Renewal Happen".

Mohammad Saeid Noori-Naeini
Chair of the Conference Committee for the
Follow-up to the IEE (CoC-IEE)

A message from the Director-General

1) Member Nations, FAO management and staff share the vision of a world that is free of hunger and malnutrition, where food and agriculture contribute to improving the living standards of all people, and in particular the poorest. As the world is shaken by a profound financial crisis and high food prices, the trends are in the wrong direction. The ranks of the hungry has increased to an unacceptable level of 923 million, and attainment of the paramount goal of reducing by half the world's hungry by 2015, would seem a forlorn hope today. The challenges ahead, such as doubling food production to feed a world population that is projected to grow from six billion today to some nine billion by the middle of the century and the needed action to address emerging issues such as climate change, indeed calls for a renewed organization playing its rightful role as a partner in the essential comprehensive international response.

2) It is highly welcome, therefore, that FAO has benefited from a thorough independent examination of its governance arrangements, its programmes and priorities, and systems, administration and organizational structure. While the development landscape has changed dramatically over the past six decades, the Organization's main purpose remains as relevant as ever. As stated by the IEE, the world faces "continuously emerging challenges that only a global organization with the mandate and experience of FAO can address with legitimacy and authority."

3) All of us, membership, management and staff, want an FAO operating efficiently and effectively as a valued partner within the multilateral system, focusing on the needs of Members and drawing on its comparative strengths to achieve results. I greatly appreciate the commitment of Members to the future of our Organization as demonstrated during the past 10 months of intense deliberation. This has led to an appreciation of the complexities of an Organization with such a broad and multifaceted global mandate. The exhaustive discussions have increased our understanding of the concerns and overall priorities of Members, and have contributed to the preparation of the elements of a ground-breaking Strategic Framework and Medium-Term Plan. Management is pleased to have been invited to be proactive in this process, both as a key stakeholder and as a source of expert advice. The joint efforts have produced this comprehensive Immediate Plan of Action (IPA) – our ambitious road map for the renewal of FAO.

4) The task of renewal only starts with agreeing on a viable plan. The road ahead stretches for three years, and there are many details still to be worked out in 2009. The spirit of give and take to resolve complex challenges that do not have a single solution, will no doubt continue. I am confident that, with the sustained engagement of Members through the governance structures to be endorsed by the Conference, and the indispensable participation of management, the journey will be successful.

5) A key ingredient of success will be management's commitment to renewal. A practical demonstration of our commitment thus far is in the 117 early actions that have been initiated under my authority since late 2007 pending approval of the IPA by the Conference and in the support we have provided to the IEE follow-up process during 2008. We have also taken prompt action in response to the call from the 2007 Conference to achieve further efficiency savings of USD 22.1 million in 2008-09. As we plan the challenging task ahead, I can assure the membership that this key ingredient for success will not be lacking. It is my personal commitment, and that of management, to do whatever is within our ability to ensure that

implementation of the IPA is comprehensive and timely. We will take all the necessary actions to generate the potential savings identified in the IPA, for ploughing back into the programmes of the Organization. I shall also strengthen the management and decision-support structure to steer and monitor implementation of the IPA.

6) During 2009 we must work together to finalize the Strategic Framework and the Medium-Term Plan using the draft elements provided in the IPA, which set out the basis for achieving greater clarity in our objectives and improved focus on FAO's core functions and priorities. At the same time governance and oversight by Members will be improved, and we shall begin to realize greater coherence between our governance structures both at headquarters and the regions. We will have also greatly improved our performance by undertaking thorough administrative system reforms and organizational changes. It is a heavy agenda, but it can and must be done.

7) The revised strategic and budgeting framework provides a new results-based focus for our substantive work across all sources of funds, both assessed and voluntary contributions, laying the groundwork for Reform with Growth. The analysis of Members needs, combined with the application of the Organization's strengths as embodied in our core functions, will guide the identification of priorities and formulation of results, targets and indicators. This will enable close monitoring and enhanced evaluation of our performance for the benefit of management and Members alike. The improved focus may include the planned reduction by up to two-thirds in the number of programme entities in the current Programme of Work and Budget. While we must fulfil our responsibility to promote action on all aspects of our mandate, we will also need to demonstrate to Members that we have taken into account the capacities of partner organizations working in the same or related fields. We will also ensure a segregation of administrative from operational costs in the budget and especially support the principle of being accountable for measurable improvement in management and administration.

8) The IEE process was distinguished from previous reviews of FAO by its clear emphasis on governance and on the roles and responsibilities of Members as well as the Secretariat. I believe that the proposals elaborated in the area of governance will produce much-needed clarity of roles and streamlining of operation of the governing bodies, build trust and strengthen the partnership between membership and management. I wholeheartedly welcome them.

9) Improving the way FAO goes about its business is fundamental to the reform, and I welcome the first report of the consultants conducting the Root and Branch Review (RBR) on all aspects of the Organization's human and financial resources management and administration. While it indicates that FAO's administrative costs are comparable to multilateral agencies, it finds that there are opportunities to improve the service culture. More can and will be done to eliminate redundant administrative processes and streamline our day-to-day work and decision making. It is clear that we have the elements to refashion our administration and modernize the way we go about our business to reflect best practice beyond the UN system in areas such as administrative transaction processing, decision support systems and human resources management. A dedicated internal team will implement the action programme that emerges from the RBR in 2009.

10) Reform in the area of Human Resource management is particularly important for a knowledge-based organization such as FAO. We have made a good start in this area, developing a new HR strategy that has been supported by the membership. We are piloting a new results-based performance management system designed to increase staff development and accountability through assessment against realistic targets and defined competency

requirements. This is being applied, together with 360 degree performance assessments, also to senior managers. Tangible progress has been made in streamlining recruitment and making it more transparent. HR reform will continue to be a high priority and I embrace the intention of greater oversight of our actions by the Governing Bodies from 2009.

11) There is no doubt that successful implementation of the IPA and the RBR proposals will require the enthusiastic engagement of all our staff, at headquarters and in the decentralized offices. In that spirit, the Change Team which I established in September, including members from headquarters and decentralized offices, has already begun its work. I believe it will prove to be an incubator and catalyst for change, and a source of open house-wide dialogue that could steer us towards a different style of interaction amongst all staff. Transformation is never quick, but we will seek to build confidence in the process by quickly focussing on some tangible changes. An important feature for implementing the IPA will be the effective participation of staff, and this will require setting aside sufficient time, and realistic deadlines, for meaningful consultation and participation.

12) Good progress is also being made in adjusting the ways in which FAO is structured, and more clearly defining the relationship and reporting lines between headquarters and the decentralised offices. The IPA spells out the guiding principles and the apex for a new headquarters organizational structure which positions the organization towards a new model for senior management decision making. In 2009 we will be doing the detailed preparatory work needed to implement headquarters restructuring in the next biennium. This will include planning for delayering the management hierarchy at headquarters, with the abolition from 2010 of a third of all Director-level posts, and setting up a small executive management team. The change will be linked to the empowerment of managers and increased accountability at all levels. We will also be conducting a review of the criteria for country office coverage with the aim of making it more effective and responsive to the needs of Members.

13) The IEE reminded us of the obstacles that stand in the way of successful reform, and stated that a principal pitfall “is often found in the mismatch between available resources and over-ambitious goals”. The IPA is certainly ambitious, and it has highlighted the necessity for voluntary extra-budgetary contributions for a provisional amount of USD 21.8 million for 2009. Now the challenge is to lose no time in embarking on the implementation once the Plan is approved by the Special Session of Conference. I am confident Members will demonstrate their political will by ensuring that the voluntary contributions needed for renewal are available, for no-one should be in any doubt about the size of the task ahead. While we continue to deliver our current Programme of Work within the approved budget, we will be reshaping our Organization to make it truly fit for the 21st century.

14) We are wholly determined that under my stewardship we will achieve our shared ambitions and that the Organization I pass on to my successor in three years will be fully capable of meeting the evolving needs and expectations of its Members. I therefore recommend this Immediate Plan of Action to the Special Session of Conference. I also re-emphasise management’s continued commitment to the process and look forward to the sustained support of Members as we move to the implementation phase.

Immediate Plan of Action for FAO Renewal Chair's Executive Summary

1) The Independent External Evaluation of FAO (IEE) found that “the world needs FAO, but a more relevant, effective and efficient FAO, with more precise priorities”. It made over 100 recommendations as a basis for Members to decide on a package of measures that would achieve “Reform with growth”. The 2007 FAO Conference welcomed the findings of the IEE and the Director-General's Management Response. It established a Conference Committee, open to all Members of the Organization, and gave it a year in which to develop and present an Immediate Plan of Action (IPA), including elements of a new FAO Strategic Framework and Medium Term Plan, to implement the reform. The Conference Committee's report responds to this mandate.

2) The Committee has worked intensively for ten months, operating through three Working Groups and closely supported by FAO's management. It has carried out a detailed analysis of the IEE findings and management's response, and then elaborated its own set of recommendations which it is now submitting to the Special Session of the FAO Conference. The recommendations constitute the essential building blocks for renewal of FAO and have the consensus of the membership and the full support of FAO management.

The Immediate Plan of Action details the actions to be taken for FAO *Reform with Growth*, providing indications for timing and the resource implications, both costs and savings.

The Immediate Plan of Action is divided into four main sections and an Annex:

- **Priorities and Programmes of the Organization:** This section details the new results-based framework proposed for the design of all the Organization's programmes, including the Organization's Vision and Global Goals, Strategic Objectives and approach to priority setting and resource management. The results will be that FAO will shift its focus from what it does, to the impacts of its activities for member countries both nationally and globally;
- **Governance Reform:** This section addresses efficiency, effectiveness and member ownership. Measures are proposed to strengthen FAO Governing Bodies' role in assuring global policy and regulatory coherence and their role in exercising executive oversight, while respecting the distinct roles of the Governing Bodies and management;
- **Reform of Systems, Programming & Budgeting, Culture Change and Organizational Restructuring:** This section puts forward a detailed series of measures for reform of the programming and budgeting cycle and for mobilisation of voluntary contributions into a unified programme, with priorities clearly defined by the membership. It also proposes measures to: delegate responsibilities with accountability; strengthen human resources; streamline administration; and improve the effectiveness of both the headquarters' and decentralised offices, while freeing up resources for technical work;
- **Implementation of the Immediate Plan of Action**, including both Governance and management follow-up arrangements; and
- **Annex:** Summary of Costs, Savings, Resource Requirements and the Implementation Schedule for 2009-2011.

Results-Based Planning and Implementation

- 3) A fundamental element of the Immediate Plan of Action is a new Results-Based Framework for FAO's work. It will provide a foundation for "**Reform with Growth**", prioritising and focusing work in line with Members' needs, clarifying the means-ends relationships through which FAO will contribute to agreed impacts in, and for, member countries. It will shift the Organization's focus from what it does with assessed contributions to what it intends to achieve through the integrated application of both assessed contributions and voluntary extra-budgetary contributions, providing greater transparency and an improved basis for monitoring.
- 4) The new Strategic Framework, Medium Term Plan and Programme of Work and Budget will have an integrated results-based structure, with a hierarchy, where:
- a) **FAO's Vision and three Global Goals** represent the fundamental development impacts, in the areas of FAO's mandate, which the member countries aim to achieve;
 - b) **Strategic Objectives** contribute to the Global Goals and define the impact, in countries, regions and globally, expected to be achieved by Members in a ten-year time horizon with contributions from FAO;
 - c) **Organizational Results** define the outcome expected from the use by member countries and partners of FAO's products and services in the pursuit of each Strategic Objective; and
 - d) **Core Functions** represent the key ways in which FAO draws on its comparative strengths to achieve results.

Priorities and Programmes of the Organization

- 5) **Prioritisation and Focus for Organizational Results:** The Results-Based Framework will make possible the prioritisation, specificity and focus which are essential for all FAO's work. This is particularly critical at the level of Organizational Results in order to achieve greater efficiency and effective delivery of services to Members and other stakeholders. FAO must respect its responsibility to promote action on all aspects of the mandate, while allocating resources for Organizational Results that clearly contribute to the achievement of the Strategic Objectives. Within this context absolute priority will be accorded to Members' existing needs and meeting emerging challenges. The achievement of Organizational Results will integrate outcomes from the application of both assessed and voluntary extra-budgetary contributions.
- 6) It is at the level of Results that the major outcomes of FAO's work are elaborated in such major areas as the "Right to Food"; the related issues of an enabling environment for increased food production and the access to that food by those who most need it and to other key areas such as food safety. This includes support to the development of the essential policy frameworks and national institutional capacities.
- 7) This major innovation in the way in which FAO plans, implements and assesses its work will feed back into management decision-making and facilitate Governing Body oversight, both of the use of all resources in line with agreed priorities and of their effectiveness in terms of benefits to individual member countries and the global community. Targets and indicators to permit assessment of progress are being defined for Organizational Results and a results-based monitoring system will be established. The same system and data will also facilitate impact assessment at the level of Strategic Objectives through evaluation.
- 8) A new Conference Committee will be established for further IEE follow-up during 2009. It will work closely with management to further develop the priorities for the Medium Term Plan 2010-13 and Programme of Work and Budget 2010-11. Analysis of Members' needs will be combined with an assessment of the potential for application of the Organization's strengths, as embodied in the Core Functions. Each Core Function will be underpinned by a strategy to ensure coherent and cooperative approaches, among organizational units and the pursuit of excellence. The analysis will include such considerations as: organizational performance in each area of work; existing technical capacity,

including for cross-disciplinarity; and the integration of strengths in advocacy, normative work and technical cooperation. It will recognise that there are areas of need where FAO will have to strengthen its capacity to provide the services that Members require. Considering the breadth of FAO's mandate and the limitations of resources, it will also have to consider the availability to member countries of alternative sources of supply for the service or product as well as FAO's comparative strengths. Avoidance of duplication and working in partnership will be essential, in particular with other organizations in the UN system, but also with non-UN entities, both public and private.

FAO's Vision and Global Goals: *FAO's vision is of a world free of hunger and malnutrition where food and agriculture¹ contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner. To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of three global goals:*

- *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 utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.*

FAO's Strategic Objectives:

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

Core Functions:

- *Monitoring and assessment of long and medium-term trends and perspectives*
- *Assembly and provision of information, knowledge and statistics*
- *Development of international policies, norms and standards*
- *Policy and legislative options and advice*
- *Technical support for access to technical knowledge and capacity building*
- *Advocacy and communication*
- *Interdisciplinary and innovative approaches*
- *Working through partnerships and alliances*

9) Implementation of the Immediate Plan of Action requires extensive reformulation of FAO Programmes and this will be done in accordance with key guiding principles to ensure that the

¹ Agriculture encompasses all aspects of crops, livestock, forestry and fisheries.

Organization:

- a) supports countries in developing their policies and building their capacities for action in areas that can stimulate sustainable development of food production, food security and pro-poor economic growth;
- b) fosters progress in the global and regional conditions for development through policy and regulatory coherence and the availability of information to underpin national development; and
- c) assists the global community and individual member countries in addressing emerging issues, such as those of climate change and high food prices.

10) Other major tools which will inform the development of the Organizational Results and Strategic Objectives, include:

- a) National Medium-Term Priority Frameworks developed with individual governments to focus FAO's efforts on national needs; and
- b) the development of sub-regional and regional areas of priority action.

11) **Impact Focus Areas:** The Immediate Plan of Action also defines a series of Impact Focus Areas which will contribute to the achievement of Strategic Objectives and their Organizational Results. They will:

- a) help mobilise resources for priority groups of results which could benefit from additional funding, acting as "flagships", providing a focus for communication and advocacy to better attract voluntary extra-budgetary resources and build partnerships to supplement assessed contributions;
- b) progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions;
- c) address primarily issues of priority to developing countries with emphasis on capacity building and getting policy frameworks right; and
- d) facilitate Governing Body oversight of the use of extra-budgetary resources in line with agreed priorities.

12) **Functional Objectives:** To ensure that all aspects of the Organization's work are established in a results-based framework, including its administration and processes, two Functional Objectives have been defined. These will have targets and indicators for their results and assist the Organization to continuously improve not only the relevance and impact of its technical delivery but also its efficiency and contribution to the achievement of Strategic Objectives. They will facilitate the segregation of administrative functions from technical work, in order to improve transparency and enable closer monitoring by management and Members. The Functional Objectives are:

- a) Effective collaboration with Member States and other stakeholders such as research, professional and civil society organizations (partnership and communication); and
- b) Efficient and effective administration.

Enhancing governance and oversight

13) The Immediate Plan of Action details major changes in the functioning of the FAO Governing Bodies in order to:

- a) strengthen focus on fostering global and regional policy and regulatory coherence, and addressing emerging issues;
- b) increase the participation of membership in policy setting and oversight for the work of the Organization, including greater ownership of their own agendas,
- c) minimize duplication and clarify the responsibilities of, and division of labour between, the Conference, Council and Committees, including making the Regional Conferences part of the governance structure;
- d) introduce greater flexibility and responsiveness in working methods;

- e) improve the information available to Members for decision-making in the election of the Director-General; and
- f) facilitate more effective evaluation and audit.

14) **The Conference**, as the ultimate decision-making body of the Organization, fulfils a dual governance function. It addresses the global issues of food and agriculture, and it exercises authority over the Organization itself. In the past few years the Conference has been perceived as concentrating on management of the Organization, at the expense of its engagement with major policy issues. In future the Conference will receive inputs from two better-defined governance streams. In giving more attention to promoting global and regional policy issues and regulatory frameworks, it will act on the basis of recommendations primarily from the Technical Committees and the Regional Conferences. To fulfil its function in governing the Organization, it will receive clear and action-oriented recommendations from the Council. Rather than meeting in November of the second year of the biennium, as has been the case up until now, the Conference will meet in June to permit more orderly planning and oversight of the FAO programme and budget process.

15) **The Council**: While fully respecting the division of responsibility between management and the Governing Bodies, the Council will develop its executive governance role, drawing on specific advice from the Programme and Finance Committees. It will meet flexibly and for variable lengths of time, including a more operational scheduling of its sessions in relation to those of the Conference and of the Programme and Finance Committees. It will exercise more effective oversight and monitoring of both extra-budgetary and human resources. The Council itself will also be required to make more specific recommendations to the Conference, particularly as regards the Programme of Work and Budget of the Organization.

16) **Election of the Director-General**: The Director-General's term of office will be changed to four years, renewable once only. Processes will be strengthened to bring potential candidates to the attention of their respective governments and provide greater opportunities for Members, meeting in the Council and the Conference, to appraise candidates prior to the election.

17) **Evaluation and Audit**: Measures are also recommended to ensure further independence and transparency in the evaluation and audit functions, and an enhanced role of the Governing Bodies with respect to both.

Improving performance

18) **Programme and budget process and Resource Management**: The governing body cycle of meetings will be adjusted to ensure a fully consultative and seamless process, which enables the membership to make clear cut and timely decisions on budget, priorities and expected Organizational Results. A much more integrated approach will be adopted to the management of funds from different sources to encourage voluntary contributions which address main priorities and supplement assessed contributions, and to ensure governance oversight of those funds.

19) **Administrative and management systems**: There is general agreement that rigid *ex ante* controls and insufficient delegation have had a negative impact on both efficiency and on staff motivation. A number of immediate improvements have already been achieved through delegations of authority, and management is taking early action on a series of other proposals which fall within the Director-General's authority. A Root and Branch review by a leading management consultancy firm, to be concluded in 2009, is expected to provide a basis for further efficiency and productivity gains in administrative functions.

20) **Human resource policies and practices**: The reforms in the Immediate Plan of Action recognize the staff of the Organization as a fundamental asset and put in place a programme of change aimed at increasing transparency, professionalism and competition in recruitment and promotion at all levels, including for the most senior staff and for consultants. The measures also address issues of gender and geographical balance in staffing and include encouragement of staff mobility and rotation between

Headquarters' and the decentralized offices. The essential questions of staff accountability and motivation are being addressed, with policies for appraising performance based on realistic targets linked to organizational results as well as job competencies and objective assessment criteria.

21) **Restructuring of Headquarters' and decentralized offices:** Organizational changes will increase the effectiveness of decentralization and responsiveness to member countries. Reporting lines for FAO Representatives in member countries will be modified, and a review will be undertaken in 2009 with the aim of making country office coverage more effective. The probable merger of at least two major departments and a further integration of various organizational units at Headquarters will help to break down "silo" structures and increase the potential for interdisciplinary work. Resources will be specifically earmarked for such work. Significant savings are expected at managerial level, both through merging of units and through delayering of posts in the managerial hierarchy with redeployment of resources to priority technical work and a strengthening of expertise at the technical level.

22) **Culture change and partnerships:** Culture change is fundamental to the successful reform of FAO, and a process aiming to achieve it will require high levels of participation and improved communication, horizontally and vertically, within the Organization. The Immediate Plan of Action welcomes the establishment by management of a culture change team, under the leadership of the Deputy Director-General, as well as the planned appointment of an Ethics Officer and establishment of an Ethics Committee. An essential element of culture change is the development of greater openness to collaboration with other organizations, both to maximize the cost-effectiveness of services to Members and to improve business efficiency through the sharing of services. The Governing Bodies as well as management will pursue the possibilities for partnership with other organizations, in particular the Rome-based food and agriculture organizations IFAD and WFP. FAO will play its role as a collaborative partner in overall reform of the UN system.

Follow-up and Implementation of the Immediate Plan of Action

23) The Immediate Plan of Action provides for the establishment of a Conference Committee, working closely with the Council and the Committees on Programme, Finance and Constitutional and Legal Matters to complete outstanding areas of work under the Immediate Plan of Action. This will include finalisation of the Strategic Framework and Medium Term Plan and the follow-up to the Root and Branch Review on all aspects of administration.

24) The Council will monitor progress and provide for full accountability on the implementation of the Immediate Plan of Action.

25) Management is putting in place a management and decision-support structure for implementation of the Immediate Plan of Action and an internal team to implement the eventual action programme resulting from the Root and Branch Review of the FAO business model and administrative and financial matters.

26) Change will be pursued urgently but will also be carefully sequenced to improve performance and ensure efficiency gains as rapidly as possible while maintaining the Organization's delivery capacity. The first year (2009) will see the initiation of restructuring within the Organization and pursuance of reforms in human resource and administrative systems. The revised Strategic Framework, Medium Term Plan 2010-13 and Programme of Work and Budget for 2010-2011 will be prepared for the first time bringing together both assessed contributions and projected voluntary contributions. Also during 2009, the changes necessary to the basic legal texts of the Organization will be developed for approval by the full membership at the Conference in November 2009. The new governance cycle, including the move of the biennial Conference session from November to June and a corresponding shift in the dates of all other Governing Body meetings will be introduced from the 2010-11 biennium.

27) To conclude, FAO is needed as a reformed, efficient and effective partner in the multilateral system, but the changes detailed in the Immediate Plan of Action and outlined above cannot take place without resources. In the spirit of reform with growth, it has been agreed that savings will be ploughed

back into the Organization. Additional resources are needed to kick-start the process and they will provide a high return on investment, in particular by assuring early benefits to Members from concentrated delivery on Strategic Objectives and rapid progress in organizational and administrative reform.

Mohammad Saeid Noori-Naeini
Chair of the Conference Committee for the
Follow-up to the IEE (CoC-IEE)

Introduction

In presenting its report to the Conference, the Conference Committee for the Follow-up to the IEE wishes to express, its appreciation for the strong support it has received from FAO management and the Director-General throughout the process. The Committee also expresses its appreciation to its Chair Prof. Mohammad Saeid Noori Naeni, Vice-Chairs, Chairs and members of its Working Groups and Bureau for their unfailing efforts to bring the work of the CoC-IEE to a successful conclusion.

1) **Background:** At its 129th Session in November 2005, the FAO Council, in a decision endorsed by the Conference at its 33rd Session, later that month, decided upon final arrangements for the Independent External Evaluation of FAO (IEE), including agreement on terms of reference for the evaluation and establishment of the Council Committee for the IEE. The report of the IEE was presented to 133rd session of the Council and the 34th session of the Conference in November 2007.

2) The 34th session of the Conference then approved **Resolution 5/2007 Follow-up to the Independent External Evaluation of FAO** (provided in full as Annex 4 to this report). The Resolution welcomed *“the IEE report which will provide the basis for Members’ decision making on an integrated package of reform with growth for the Organization.”* Welcomed *“also the Director-General’s Management Response “In Principle”, which will further assist Members’ decision making.”* The Conference decided to: *“Develop an Immediate Plan of Action and a Strategic Framework for FAO renewal after a systematic review of the IEE report and its findings and recommendations and the management response. The Plan of Action will address:*

- a) an FAO vision and programme priorities: i) priorities and programme adjustments for the period 2009-2011; and ii) a draft covering the major elements of a long-term Strategic Framework and a draft Medium Term Plan;*
- b) governance reform;*
- c) reform of systems, culture change and organizational restructuring: i) institutional culture change and reform of administrative and management systems; and ii) restructuring for effectiveness and efficiency.*

In addressing each of the actions for reform, the Immediate Plan of Action will specify: the financial implications; targets to be achieved; timetable for implementation; and implementation milestones over the period 2009-2011.”

3) In order to prepare the Immediate Plan of Action (IPA), the Resolution established *“a time-bound Conference Committee under Article VI of the FAO Constitution, mandated to complete its work with the presentation of proposals for an Immediate Plan of Action to the Special Session of the Conference in 2008. This Committee will be open to full participation by all Members of the Organization.”* The functions of the Committee were defined as *“to:*

- a) recommend to the Conference proposals for the Immediate Plan of Action; and*
- b) provide ongoing review and feedback on the implementation of all actions, including inter alia quick wins, being undertaken by the Director-General, on those areas of the IEE follow-up lying essentially within his authority, recognizing that some actions are subject to the provision of the requisite budgetary resources.”*

4) The Conference Committee for the Follow-up to the IEE (CoC-IEE) held its first meeting in December 2007 and established three working groups as follows:

- a) Working Group I: FAO vision and programme priorities;
- b) Working Group II: Governance reform; and
- c) Working Group III: Reform of systems culture change and organizational structure.

In addition to the Working Groups the CoC-IEE also established a Bureau (for details of membership and officers of the CoC-IEE, its working groups and Bureau – see Annex 5 to this report).

5) The Working Groups first met in January and drew-up their programmes of work, beginning with a review of the IEE recommendations. The Immediate Plan of Action which follows presents the product of the work of the CoC-IEE with the support of FAO management.

6) **The Immediate Plan of Action (IPA)** addresses the actions to be initiated for “**FAO Renewal**” in the three years (2009-11) immediately following the Special Session of the Conference, some of which work has already begun. The IPA forms the operative annex to draft resolution 1/2008 (*Adoption of the Immediate Plan of Action for FAO Renewal*), which is proposed to the Special Session of the Conference by the CoC-IEE. It contains the following main sections:

- a) Priorities and Programmes of the Organization - Summary Elements of the Strategic Framework and Medium Term Plan;
- b) Governance Reform;
- c) Reform of Systems, Programming & Budgeting, Culture Change and Organizational Restructuring;
- d) Follow-up Arrangements for Implementation of the Immediate Plan of Action; and
- e) Summary of Costs, Savings, Resource Requirements and Implementation Schedule.

The Immediate Plan of Action

A. Priorities and Programmes of the Organization

Summary Elements of the Strategic Framework and Medium Term Plan²

- 1) In order to focus FAO's work to better serve Members' needs, the **Conference** approves FAO's Vision and Global Goals (Box 1) for inclusion in the new Strategic Framework. It also approves the application of the new Results-Based programming framework as described below. The following elements of the Strategic Framework and Medium Term Plan as described below are also approved in principle, i.e. the: Strategic Objectives; Core Functions; Functional Objectives; and the format for presentation of the results-based programme documentation. The concept of Impact Focus Areas (IFAs) is approved and indicative listing of IFAs is agreed as a basis for further elaboration. This total results-based package will provide the basis for the further elaboration of the Results-Based Programme in full, including Organizational Results and indicators for inclusion in the 2010-13 Medium Term Plan. Provision for this development has been included in the Committee's proposals on institutional and governance arrangements for follow-up in 2009 where one Working Group of the new Conference Committee will be devoted to the task of developing the full proposal of a new Strategic Framework and Medium Term Plan for the 2009 Conference. The elements presented in this summary are further elaborated, particularly as regards possible results and indicators, in a FAO Management paper provided as Annex 1 to the CoC-IEE report.
- 2) Changes in the Programme and Budget preparation process and governance input and oversight arrangements are addressed in Section C of the Immediate Plan of Action: Reform of Programming, Budgeting and Results-Based Monitoring.

Introduction of a Results-based Framework for all FAO's Work

- 3) The elements of the new Strategic Framework and Medium Term Plan will be based on an integrated results-based structure. It will provide a strong basis for "***Reform with Growth***", prioritising and focusing work in line with Members' needs, clarifying the means-ends relationships through which FAO will contribute to agreed impacts in, and for, member countries. The Medium Term Plan will clearly present this and will provide the framework within which FAO shifts the Organization's focus from what it intends to do with assessed contributions to what it intends to achieve through the application of assessed contributions and extra-budgetary resources. The enhanced results-based approach to programming consists of a hierarchy of:
- a) **Three Global Goals:** These represent the fundamental development impacts in the areas of FAO's mandate which the member countries aim to achieve (see Box 1);
 - b) **Strategic Objectives:** These contribute to the Global Goals and express the impact, in countries, regions and globally, expected to be achieved in a ten-year time horizon by Members with a contribution from FAO (see Box 2);
 - c) **Organizational Results:** These define the outcome expected from the use by member countries and partners of FAO's products and services in the pursuit of each Strategic Objective; and

² At its session in 2007 the FAO Conference required the Conference Committee to present elements of a new FAO Strategic Framework and Medium Term Plan (Resolution 5/2007). The Strategic Framework and Medium Term Plan are to be finalised together with the 2010-11 Programme of Work and Budget for decision at the Conference in 2009.

d) **Core Functions:** These represent the critical means of action to be employed by FAO to achieve results, drawing on the Organization's comparative advantages.

Box 1:

FAO's Vision and Global Goals: *FAO's vision is of a world free of hunger and malnutrition where food and agriculture³ contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner. To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of three global goals:*

- *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 utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.*

FAO's Strategic Objectives:

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

4) Targets and indicators to permit assessment of progress are being defined for Organizational Results with the aim of putting them in place from 2010-11. To support their application a results-based monitoring system will be established and the monitoring of indicators for Organizational Results will provide the basis for a biennial report to the membership in 2012 on the Organization's performance in 2010-11. The same system and data will also facilitate impact assessment at the level of objectives through evaluation. This major innovation in the way in which FAO plans, implements and assesses its work will feed back into management decision-making and facilitate Governing Body oversight, both of the use of

³ Agriculture encompasses all aspects of crops, livestock, forestry and fisheries.

all resources in line with agreed priorities and of their effectiveness in terms of benefits to individual member countries and the global community.

5) The Programme of Work will thus be presented in an integrated suite of planning documentation encompassing: the Strategic Framework with a 10-15 year time-horizon (reviewed every four years); the Medium Term Plan presenting the Organizational Results, covering a four-year time horizon, but reviewed and adjusted each biennium; and the Programme of Work and Budget dealing with the resources required to contribute to the Organizational Results each biennium (see Section C of the IPA).

Organizational Results

6) **Progress in defining Organizational Results:** Organizational Results combine the outcomes of FAO actions at country, regional and global levels. Significant progress has been made in defining both the Results and their targets and indicators (see FAO Management paper in Annex 1 to the Conference Committee Report). This work will be completed for final consideration by the Conference in 2009 of the Strategic Framework, Medium Term Plan 2010-2013 and Programme of Work and Budget 2010-11.

7) It is at the Results level that the major outcomes of FAO's work are elaborated in such major areas as the "Right to Food", and the related issues of an enabling environment for increased food production and access to that food of those who most need it. This includes the support to the development of the essential policy frameworks and national institutional capacities. It is also at this level that specificity is given to FAO's work on such important regulatory areas as food safety. The approach to the further elaboration of results for cross-cutting strategic objectives in work such as gender, investment and natural resources will help to ensure that they are largely defined in the context of work within the remaining Strategic Objectives of a more sectoral nature. This will help integrate attention to and mainstream these important areas of work.

8) The achievement of Organizational Results will integrate outcomes from the application of both assessed contributions and extra-budgetary resources. Targets and indicators for Results will thus be designed both to verify outcomes from the application of assessed contributions and to take into consideration the extent to which Results are achieved as voluntary contributions become available in addition to the assessed budget.

9) **Format for Presentation of Strategic Objectives and their Organizational Results in the Medium Term Plan:** A format has been developed for the presentation of Organizational Results which is used in part in the FAO Management paper in Annex 1 to the Conference Committee Report and is endorsed in principle for application in the development of the Medium Term Plan. It is summarised in Box 2.

Box 2: Format for Presentation of Strategic Objectives and their Organizational Results	
Strategic Objective Title:	
Issues and Challenges:	
Assumptions and Risks:	
Organizational Results	
Result 1 Title	
Primary Tools for achievement of the Result	Targets and Indicators
Result 2 Title	
Primary Tools for achievement of the Result	Targets and Indicators

Result 3 Title	
Primary Tools for achievement of the Result	Targets and Indicators
etc for each Organizational Result	
Check list of application of the Organization's Core functions to achievement of the Strategic Objective	
Strategic Objective Budget broken down by Organizational Result (and by: assessed contributions and extra-budgetary resources; and by region)	

10) **Prioritizing and Focusing Work:** Prioritisation and focusing of FAO's work is essential at all levels of the Results-Based Framework and is particularly critical at the level of Organizational Results to achieve greater efficiency and effective delivery of services to Members and other stakeholders. FAO must respect its responsibility to promote action on all aspects of the mandate and resources must be allocated for Organizational Results that clearly contribute to the achievement of the Strategic Objectives. Within this context absolute priority needs to be accorded to Members' existing needs and meeting emerging challenges.

11) In further developing the priorities for the Medium Term Plan and Programme of Work and Budget during 2009 the planned Conference Committee will work closely with management in undertaking an analysis of Members' needs. This will be combined with a structured analysis of the potential for application of the Organization's strengths, as embodied in the Core Functions (see Box 4) and which include such considerations as: organizational performance in each area of work; existing technical capacity, including for cross-disciplinarity; and the integration of strengths in advocacy, normative work and technical cooperation. This analysis will recognise that there are areas of need where FAO will need to strengthen its capacity to provide services, while also recognising that considering the breadth of FAO's mandate and the limitations on resources, the availability to member countries of alternative sources of supply for the service or product and FAO's comparative strengths will be important considerations. The avoidance of duplication and working in partnership will be essential, in particular with other organizations in the UN system, but also with non-UN entities, both public and private.

12) Guiding principles applied in reformulating FAO programmes, with this in mind, will be to:

- a) support countries in developing their policies and building their capacities for action in areas that can stimulate sustainable development of food production, food security and pro-poor economic growth;
- b) foster progress in the global and regional conditions for development through policy and regulatory coherence and the availability of information to underpin national development; and
- c) assist the global community and individual member countries in addressing emerging issues, such as those of climate change and high food prices.

13) Members will thus require evidence that Organizational Results have been formulated taking full account of these considerations, and both the results-based monitoring system and evaluation will help to assure this. Other major tools which will inform the development of the Organizational Results and Strategic Objectives include:

- a) National Medium-Term Priority Frameworks developed with individual governments to focus FAO's efforts on national needs;
- b) structured and consultative development of sub-regional and regional areas of priority action, including the Regional Conferences in the consultation; and

c) at the global level, a limited number of Impact Focus Areas (see below).

14) **Impact Focus Areas contribute to Strategic Objectives** and their agreed Organizational Results, providing a focus within or across them. They will:

- a) help mobilise resources for priority groups of results which could benefit from additional funding, acting as “flagships”, providing a communication and advocacy tool to better attract voluntary extra-budgetary resources and partnerships to supplement assessed contributions;
- b) progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions;
- c) primarily address issues of priority to developing countries with emphasis on capacity building and getting policy frameworks right; and
- d) facilitate Governing Body oversight of the use of extra-budgetary resources in line with agreed priorities.

15) They have an initial duration of some four years and may be extended as necessary. They will be underpinned by a strategy and indicators of outcomes. Review will take place each biennium as part of the Medium Term planning process and Impact Focus Areas may be discontinued, adjusted or added to in line with emerging needs and results.

Box 3: Indicative initial listing of Impact Focus Areas

- **Action towards global food security in the context of the current food crisis and climate change** : Build longer-term resilience and contribute to global food security through short, medium and long term action under the UN System Comprehensive Framework of Action on the Global Food Crisis by supporting sustainable growth in food production in developing countries, especially among smallholder farmers, including through the Initiative on Soaring Food Prices (immediate needs) and support to National and Regional Programmes for Food Security.
- **Prevention and reduction of the negative effects of transboundary animal and plant pest and food safety incidences** (negative economic, social and health impacts).
- **Strengthening the information base for sustainable forest management**: Building countries' capacities to manage forests and trees based on timely and reliable information.
- **Implementation of the Code of Conduct for Responsible Fisheries** (FishCode - Global Partnerships for Responsible Fisheries) to help ensure sustainable fisheries and aquaculture as integral components of food production and resource management systems at national, regional and global levels, in particular through capacity building.
- **Coping with scarcity of land and water resources**: Increasing capacities to achieve improved governance, access to and management of land and water resources, including the implications of climate change, with a special emphasis on Africa.
- **Information and statistics**: Strengthening national, regional and global capacities to generate reliable information and statistics to improve national and global decision making in agriculture and the fight against hunger.
- **Standard setting and regulation**: Strengthened 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).

Core Functions

16) Eight core functions of FAO define the means of action and the important modalities to achieve results drawing on the Organization's comparative advantages. Each core function is

underpinned by a strategy which will help to ensure coherent approaches, cooperation among organizational units, mutual learning and the pursuit of excellence.

Box 4: The Core Functions of FAO

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

Functional Objectives

17) To ensure that all aspects of the Organization's work are established in a results-based framework, including its administration and processes, two Functional Objectives have been defined:

- a) Effective collaboration with Member States and stakeholders (partnership and communication); and
- b) Efficient and effective administration.

18) These will also have targets and indicators for their results and assist the Organization to continuously improve not only the relevance and impact of its technical delivery, but also its efficiency and contribution to the achievement of Strategic Objectives.

Management responsibilities

19) Clear managerial responsibilities throughout the cycle of preparation, implementation and assessment, will be assigned for each Strategic Objective, Organizational Result, Impact Focus Area, Core Function and Functional Objective. Managers will be held accountable for the progress not only in terms of provision of products and services but also the results these achieve.

FAO Strategic Objectives and the New Results-Based Framework – Action Matrix

Actions			Responsibility For Final Decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per Biennium
1.1	7.5	Decide the application of the new Results-Based Framework	Conference	2008	(See WG III – HR training)	(See WG III – HR training)
1.2	7.1	Decide the Vision and Global Goals of FAO	Conference	2008	0	0
1.3	7.1	Decide in principle the Strategic Objectives, Functional Objectives and Core Functions	Conference	2008	0	0
1.4	7.1	Adopt in principle the format for presentation of Strategic Objectives and Organizational Results	Conference 2008	2008	0	0
1.5	7.2	Develop Impact Focus Areas with the purposes summarised and with a basis for further development provided by the indicative listing	Conference 2008	2008-2009	0	0
1.6	7.5	Develop the results-based monitoring system	Management	2009	(See Section C - Reform of Prog, Bud and RBM; Res Mob Strat)	(See Section C - Reform of Prog, Bud and RBM; Res Mob Strat)
1.7	7.1	Develop and adopt the complete Strategic Framework, Medium Term Plan and Programme of Work and Budget applying the new model	Conference Committee/ Council/ Conference	2009	ditto above	ditto above
1.8	7.5	First report on organizational performance based on new results-based system for 2010-11 biennium	Council/Conference	2012	ditto above	ditto above

B. Governance Reform

Governing Bodies

Governance Priorities

20) There are two major and distinct functions of the FAO Governing Bodies⁴:

- a) the review of the world food and agriculture situation and the pursuit of global and regional policy coherence between governments on major international issues for food and agriculture, including their national implications, and the design or adjustment of international instruments, including treaties, conventions and regulations; and
- b) the executive policy decision making and oversight for FAO as an Organization, including its programme and budget.

Governance Priorities - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.1	4.4 & 4.5	Global policy coherence and regulatory frameworks: Systematically review the global situation to determine those issues requiring priority initiative for greater policy coherence and study current regulatory frameworks to determine areas requiring early action by FAO or in other fora.	Conference Technical Committees Regional Conferences Management	2009 - continuing	0	0 (RP priority)
2.2		As appropriate take into consideration policy issues and instruments relating to food and agriculture being developed in other fora than FAO and provide recommendations to those fora	Conference Technical Committees Regional Conferences Management	2010-11 biennium continuing	0	0 (RP priority)
2.3		See also below – for roles of the various Governing Bodies	Governing Bodies	(see below – with respect to each Governing Body)		
2.4		Executive governance: Strengthen roles and coverage of Governing Bodies (see below)	Governing Bodies	(see below – with respect to each Governing Body)		

FAO Conference, Council & the Programme & Finance Committees

21) **The FAO Conference:** The Conference will remain the ultimate decision making body of the Organization and determine overall policy and strategy. Its distinctive functions will be further emphasised, reducing duplicative discussion with the Council. A series of measures were agreed to make the Conference more action orientated, focused and attractive to participation by Ministers and senior officials. The Conference will:

- a) be the ultimate venue for discussion and decision on global issues of food and agriculture and requirements for regulatory instruments, normally following their discussion in, and the receipt of recommendations from, the Technical Committees and the Regional Conferences;

⁴ Considered for the purposes of this Immediate Plan of Action to include: the Conference; Council; Committees on Finance, Programme and Constitutional and Legal Matters; the Regional Conferences; and the Technical Committees of the Council.

b) make the final decision on the objectives, strategy and budget of the Organization following receipt of recommendations from the Council (see below Programming and Budgeting Process).

The Conference – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.5	4.7a	Each session of the Conference will usually have one major theme agreed by the Conference, normally on the recommendation of the Council	Conference/ Council	2009 - continui ng	0	0
2.6	4.7a	Conference will give more attention to global policy issues and international frameworks (including treaties, conventions and regulations), normally acting on recommendations of the Technical Committees & Regional Conferences and where appropriate, Council (it will receive directly the pertinent sections of Technical Committee and Regional Conference reports)	Conference	2009 - continui ng	0	see 2.12
2.7	4.7c & 7.3	Conference will meet in June of the second year of the biennium	Conference	2011 - continui ng	0	0
2.8	4.7c	Conference will approve the Organization's Priorities, Strategy and Budget having considered the recommendations of the Council (see Programme and Budget Procedure below)	Conference	2009 - continui ng	0	0
2.9	4.15 c	The Conference report will concentrate on conclusions and decisions, which may be defined in drafting committees and "friends of the Chair" as appropriate. The verbatim will provide the detail of interventions and will be published in all FAO languages.	Conference	2009 - continui ng	0	see 2.12
2.10	4.7a	Formal plenary meetings will become more focused on issues of vital interest to members	Conference	2009- continui ng	0	0
2.11		Side events will be developed to provide a forum for informal interchange on development of issues		2009 - continui ng	0	0
2.12	4.15	Changes in practice will be introduced, including ways of working and reporting lines as detailed below with respect to the various Bodies	Conference	2008 - continui ng	0	0.4
2.13	4.15	Basic Text changes for functions, reporting lines, role in making recommendations to the Conference, etc. as detailed in the Action Matrix	Conference	2009	0	0

22) **The FAO Council:** The executive governance role of the Council will be further developed with attention to making clear decisions. It will meet more flexibly and for variable lengths of session as appropriate to the agenda. It will play a more dynamic role in the development of the programme and budget, drawing on the advice of the Programme and Finance Committees and it will extend its oversight and monitoring function particularly with regard to extra-budgetary resource mobilization and use and human resource development and utilization.

The Council – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
	4.8	The Council functions will be clarified as necessary in the Basic Texts and will include:	Conference	Decision 2008 Implementation 2009 onwards	0	0
2.14		i) the major role in deciding and advising on: <ul style="list-style-type: none"> work-planning and performance measures for the Council itself and for other Governing Bodies excluding the Conference; monitoring and reporting performance against these measures; strategy, priorities and budget of the Organization; the overall programme of work; major organizational changes, not requiring Conference changes of Basic Texts; recommending the agenda of the Conference to the Conference; 				
2.15		ii) monitor the implementation of governance decisions;				
2.16		iii) exercise oversight, ensuring that: <ul style="list-style-type: none"> the Organization operates within its financial and legal framework; there is transparent, independent and professional audit and ethics oversight; there is transparent, professional and independent evaluation of the Organization's performance in contributing to its planned outcomes and impacts; there are functioning results-based budgeting and management systems; policies and systems for human resources, information and communication technology, contracting and purchasing, etc are functional and fit for purpose; extra-budgetary resources are effectively contributing to the Organization's priority goals; and 				
2.17		iv) monitor the performance of management against established performance targets.				
2.18		The Council shall make a clear recommendation to Conference on the Programme and Budget Resolution including the budget level	Council	2009 - continuing	0	0
2.19	4.8	The Council will meet more flexibly and for variable lengths of session as appropriate to the agenda (normally a minimum of 5 sessions per biennium) - Section C Chart 1 Programme and Budget planning and review cycle:	Council	2010 - continuing	0	1.4
2.20		i) There will be: a short meeting (minimum two days) after each session of the Programme and Finance Committees.				
2.21		ii) The meeting of the Council to prepare the Conference will be at least two months prior to the Conference, so that recommendations can be taken account of, including recommending the final agenda of the Conference to the Conference for its final approval.				
2.22		The Council Report will consist of conclusions, decisions and recommendations (verbatim to provide detail and be published in all languages)	Council	2009 - continuing	0	1.7
2.23	4.8	The Council will no longer discuss global policy and regulatory issues, unless there is an urgent reason to do so (to be handled by the Technical Committees and the Conference)	Conference	2009 - continuing	0	0
2.24	4.15	Changes of practice, including ways of working and reporting lines will be introduced for the Council (see below with reference to other bodies)	Conference/ Council	2009 onwards	0	0
2.25	4.15	Introduce Basic Text changes for functions, reporting lines, etc.	Conference	2009	0	0

The Independent Chairperson of the Council

23) The Independent Chairperson of the Council will play an enhanced facilitation role in further empowerment of the Council to better play its role in governance and oversight. These functions of the Independent Chairperson will be specified in the Basic Texts and will include active consultation with regional groups in preparation for Council sessions.

Independent Chairperson of the Council - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.26	4.10 a	Revise Basic Texts to clearly specify the proactive facilitation role of the Independent Chairperson of the Council for the Governance of FAO, eliminating any potential for conflict of roles with the managerial role of the Director-General and, including, in addition to chairing meetings of the Council:	Conference Committee/ CCLM/ Conference	2009	0	0
2.27		a) serve as an honest broker in arriving at consensus between members on controversial issues;				
2.28		b) liaise with the Chairs of the Programme and Finance Committees and CCLM on their work programmes and as appropriate with the chairs of Technical Committees and Regional Conferences, normally attending the Programme and Finance Committees and Regional Conferences;				
2.29		c) as and when he/she considers it useful, the Independent Chairperson of the Council may call for consultative meetings with representatives of the Regional Groups on issues of an administrative and organizational nature for the preparation and conduct of a session;				
2.30		d) liaise with FAO senior management on concerns of the membership, expressed through the Council and its Programme and Finance Committees and the Regional Conferences;				
2.31		e) ensure that the Council is kept abreast of developments in other fora of importance for FAO's mandate and that dialogue is maintained with other Governing Bodies as appropriate, in particular the Governing Bodies of the Rome based food and agriculture agencies;				
2.32		f) drive forward the continuous improvement of the efficiency, effectiveness and Member ownership of FAO Governance.				
2.33		g) The Basic Texts will also specify:				
2.34		i) desirable qualifications (competencies) for the Independent Chairperson to be developed by the Conference Committee with advice of the CCLM and decided by the 2009 Conference ii) that the Independent Chairperson is required to be present in Rome for all sessions of the Council and will normally be expected to spend at least six to eight months of the year in Rome				

24) **The Programme and Finance Committees** will strengthen their advice to the Council and become more transparent. They and the Council will assume more responsibility for agendas. The Committees will meet more flexibly and for variable lengths of session and in increased Joint Sessions as appropriate to the agenda and in line with the programme and budget planning and review cycle (see Section C Chart 1). They will be required to make clear recommendations and give more attention to policies, strategies and priorities in order to provide improved oversight and more dynamic guidance to the Council.

Programme and Finance Committees – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.35	4.9 & 4.17	Clarifications of functions and ways of working will be introduced immediately in practice and followed-up by Basic Text changes, including on clarification of functions:	Conference	2009 - continuing	0	0
2.36		i) Programme Committee functions will emphasise programme priorities, strategy, budget and evaluation and will also include: consideration of field and decentralized work; priorities for the Organization to address in developing global policy coherence and regulation; and partnership and coordination with other organizations for technical work;				
2.37		ii) Finance Committee will cover all aspects of administration, services and human resources as well as finance, including the policies and budget for these areas of work – becoming a Finance and Administration Committee;				
2.38		iii) The Committees will meet more flexibly and for variable lengths of session as appropriate to the agenda and in line with the programme and budget planning and review cycle (see Chart 1) - (minimum number of sessions normally four per biennium);				
2.39		iv) The two Committees will hold more joint meetings. The discussion will be in joint session, whenever there is overlap in the discussion, or the two Committees contribution will have a strong complementarity;				
2.40		v) The Committees will be required to make clear recommendations and give more attention to policies, strategies and priorities in order to provide improved oversight and more dynamic guidance to the Council; and				
2.41		vi) The Finance Committee will agree and adopt criteria for which WFP documentation it should review.				
2.42	4.15	Introduce changes in practice, including ways of working (see below)	Conference/ Council	2009	0	0
2.43	4.15	Introduce Basic Text changes for functions of the Committees	Conference	2009-2011	0	0
2.44	4.9 & 4.17	Programme and Finance Committees membership, chairs and observers: - Changes will be introduced in the Basic Texts, including for the election of members. The members will be countries not individuals but in nominating their representatives countries will be expected to propose representatives with the necessary technical qualifications, and:	Conference/ Council	2009 - continuing	0	0.1
2.45		i) chairs will be elected by the Council on the basis of their individual qualifications and will not occupy seats of their electoral groups or represent a region or country (in the event of a chair falling vacant, the incumbent will be replaced by a vice-chair of the Committee elected by the Committee, until such time as a replacement can be elected by the Council);				
2.46		ii) the membership of the Committees will each be increased, <u>in addition to the Chair</u> , to twelve representatives with each region having a right to up to two representatives each for Africa, Asia, Latin America and the Caribbean, the Near East and Europe and one representative each for North America and the South West Pacific nominated by the region and confirmed by the Council (countries may substitute their members for individual meetings or during the term of office, thus avoiding that a seat remains empty)				
2.47		iii) Committees, including joint meetings will be open to non-speaking observers.				
					0	0

Committee on Constitutional and Legal Matters (CCLM)– Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.48		Changes will be introduced in the Basic Texts, including for the election of members. The members will be countries not individuals but in nominating their representatives countries will be expected to propose representatives with the necessary legal qualifications;	Conference/ Council	2009 - continui ng	0	0
2.49		The chair will be elected from amongst the CCLM members by the Council on the basis of his/her individual merit (in the event of a chair falling vacant, the incumbent will be replaced by a vice-chair of the Committee elected by the Committee, until such time as a replacement can be elected by the Council);			0	0
2.50		The Committee will have seven members, with each region having a right to one member nominated by the region and confirmed by the Council (countries may substitute their members for individual meetings or during the term of office, thus avoiding that a seat remains empty)			0	0
2.51		The CCLM will be open to non-speaking observers	Council	2009 - continui ng	0	0

Regional Conferences

25) Regional Conferences will have an important role to play in governance for: policy coherence for development in their region; discussion of global priorities as they relate to the region; providing inputs to the Council and Conference on FAO priorities and in discussing such issues as intra-regional trade and investment. This role may vary from region to region. They will become a full part of the governance structure, feeding into the Conference and Council.

Regional Conferences – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.52	4.13	Changes in lines of reporting, functions and ways of working will be introduced immediately in practice and followed-up by Basic Text changes, including changing the status of the Regional Conferences to Committees of the FAO Conference:	Conference	2008 - continui ng	0	0.4 ⁵
2.53		a) Functions will include: i) Develop issues for regional policy coherence & regional perspective on global policy issues & regulation – presenting its report to the FAO Conference ii) Review and advise on the FAO programme for the region and the overall FAO programme as it affects the region – presenting its report to the Council through the Programme and Finance Committees			0	0

⁵ Beginning 2010

Regional Conferences – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.54		b) Ways of working – Regional Conferences will: <ul style="list-style-type: none"> i) be convened normally once in every biennium on the decision of the Members of FAO from the region and with full consultation among members on agendas, formats, dates & duration and need for the Conference; ii) appoint a rapporteur; iii) the Chair and rapporteur will remain in office between sessions and the Chair, or if not available the rapporteur, will present the Regional Conference report to the FAO Council and Conference (with consideration also by the Programme and Finance Committees as appropriate) in line with the new cycle of governing body oversight and decision making for the programme and budget process; iv) to the extent possible, hold sessions in tandem with other inter-governmental regional bodies concerned with agriculture; v) papers for Regional Conferences will be focused with actionable recommendations. 			0	0
2.55		Introduce Basic Text changes for functions, reporting lines, etc.	Conference	2009	0	0

Technical Committees and Ministerial Meetings

26) **Technical Committees:** The Technical Committees are fundamental to FAO's work. They are committees of the whole membership and have distinct roles: Firstly developing global information exchange, policy coherence and instruments for their area of competence; and secondly providing proposals to the Council and Conference on the Strategy and Programme of the Organization. Technical Committees, as committees of the whole, deal with world issues as well as FAO's programme and will report directly to the FAO Conference on global issues and to the Council on FAO programme priorities and performance.

Technical Committees – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.56	4.11	The Committees will report to Council on FAO's budget, and the priorities and strategies for the programmes and directly to the FAO Conference on global policy and regulation becoming Committees of the Conference, and:	Conference	2009 - continuing	0	0
2.57		a) Chairs will remain in office between sessions and provide their reports to the Council and Conference;				
2.58		b) Ways of working – Technical Committees will:				
2.59		i) meet more flexibly as to duration and frequency, according to needs, normally once in each biennium. They will address priority emerging issues and may be convened especially for this purpose;				
2.60		ii) the Chair will facilitate full consultation with Members, on agendas, formats and duration				
		iii) More use will be made of parallel sessions and side events, taking care that countries with small delegations can participate (informal sessions will include NGOs and the private sector including representation from developing countries);				

Technical Committees – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.61		iv) The Committee on Agriculture (COAG) will specifically include and devote adequate time in its agenda to livestock with a livestock segment;				
2.62		v) The Committee on Commodity Problems (CCP) will strengthen interaction with UNCTAD, WTO and the Common Fund for Commodities;				
2.63		vi) The Committee on World Food Security (CFS) will revitalise its role in monitoring and driving progress on the World Food Summit commitment and reviewing the State of Food Insecurity in the world.				
2.64		Introduce changes in practice, including ways of working and reporting lines	Conference	2009	0	0
2.65		Introduce Basic Text changes for functions, reporting lines, etc.	Conference	2009 - continuing	0	0

27) **Ministerial meetings** may be convened by the Conference and Council when matters developed at technical level, normally in the Technical Committees, need political endorsement or more visibility. Their reports will normally be considered directly by the FAO Conference, with reference of any FAO programme issues for the advice of the Council.

Ministerial Meetings – Action Matrix

Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.66	4.12	Basic Text Change to specify that the Conference or Council may call a Ministerial meeting when matters developed at technical level need political endorsement or more visibility.	Conference/ Council	2009	0	0.1
2.67		The Ministerial meeting reports will normally be considered directly by the Conference.	Conference	2009 onwards	0	0

Statutory Bodies, Conventions, etc.

28) The statutory bodies and conventions will be strengthened, enjoying more financial and administrative authority within the framework of FAO and a greater degree of self-funding by their Members. They will have a direct line of access to the appropriate FAO Technical Committees. They will be accountable to the FAO Council and Conference for the use of that proportion of their funding which is provided for from FAO assessed contributions.

Statutory Bodies, Conventions, Treaties, Codex, etc. – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. IEE Rec	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.68	4.11g	Conferences of parties to treaties, conventions and agreements such as Codex and the IPPC (incorporated under FAO statutes) may bring issues to the attention of the Council and Conference through relevant the Technical Committee (Basic Text Change)	Conference/ Council	2009 - continuing	0	0
2.69	4.6	Undertake a review with a view to making any necessary changes to enable those statutory bodies which wish to do so to exercise financial and administrative authority and mobilise additional funding from their members, while remaining within the framework of FAO and maintaining a reporting relationship with it.	Management/ Council/ Conference	2009-10	0.3 ⁶	0

Further Actions to Improve the Effectiveness of FAO Governance

29) A series of supporting actions are envisaged to strengthen FAO governance with respect to ensuring the independence, transparency and efficiency of the Governing Bodies, as well as the dialogue with senior management.

Further Actions to Improve the Effectiveness of FAO Governance – Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.70	4.4a	The Council, Programme and Finance Committees, CCLM, Regional Conferences and Technical Committees will each:	Council	2009 - continuing -	0	0.2
2.71		a) prepare a multiyear programme of work of at least four years duration, once per biennium which will be reviewed by the Council and/or Conference (in accordance with their respective reporting lines);				
2.72		b) prepare a report of their progress against the Programme of Work once every two years also for review by the Council and/or Conference.				
2.73		The term Governing Bodies will be defined, preferably in the Basic Texts	Conference	2009		
2.74	4.1c	The Conference will assess the workings of the governance reforms, including the role and functioning of the Regional Conferences with an independent review as an input to this process.	Conference/ Council	Biennial with target for completion by 2015	0.8	0
2.75	8.6b	In order to further transparency and communication the Director-General will report to and dialogue with the Council and the Joint Meeting of the Programme and Finance Committees on the: <ul style="list-style-type: none"> • Strategic Framework and Medium Term Plan priorities; • Priority goals which senior management has established for immediate progress; • annual and biennial performance. 	Council	2009 - continuing	0	0
2.76		Costs of revising the Basic Texts for all Governing Bodies: Work to be carried out by Legal Office and CCLM for revisions of Basic Texts	Management	2009	0.2	0

⁶ In 2010

Evaluation, Audit and Organizational Learning

30) **Evaluation:** The learning and accountability functions of a strong evaluation system are indispensable for use by both the Governing Bodies and the senior management of FAO and the conduct of evaluation must be responsive to, but operationally independent of, both. Evaluation in FAO is already of a relatively high standard and provides a strong foundation to build on further. Transparency in evaluation is important, as well as clarity on institutional arrangements. The Organization's evaluation policy, strategy and institutional arrangements will be incorporated in a "Charter" which will be subject to Council approval.

Evaluation - Action Matrix						
Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
Evaluation						
2.77	7.10a	Establishment of evaluation as a separate and operationally independent office inside the FAO secretariat structure, reporting to the Director-General and to the Council through the Programme Committee.	Management/ Council	Jan 2009	0	0
2.78	7.11	Evaluation Budget: The evaluation Regular Programme budget will be increased to 0.8-1.0% of the total Regular Programme Budget (over two biennia) and once decided upon by the Governing Bodies, as part of the Programme of Work and Budget approval process, allocated in full to the evaluation office. <u>All contributors of extra-budgetary funds will respect the Council decision that at least 1% of all extra-budgetary funds should be allocated for evaluation.</u>	Conference	2010 - 2013	0	4.5
2.79	7.10d	Evaluation staffing: a) Recruitment of Evaluation Director at D2 level. A panel consisting of representatives of the Director-General and Governing Bodies, as well as evaluation specialists from other UN agencies will review the terms of reference and statement of qualifications for the post, and then participate in a panel to screen and select an appropriate candidate. The Director of evaluation will serve for a fixed term of four years with the possibility of renewal for a maximum of one further term, with no possibility for reappointment within FAO to another post or consultancy for at least one year;	Management/ Programme Committee	2009	0	0 Difference between D1 and D2 covered in increase in Budget above
2.80		b) All appointments for evaluation of staff and consultants will follow transparent and professional procedures with the first criteria being technical competence but also with attention to considerations of regional and gender balance. The Director of Evaluation will have the main responsibility for the appointment of evaluation staff and the responsibility for appointment of consultants in conformity with FAO procedures.				
2.81	7.10b	Quality assurance and continued strengthening of the evaluation function: a) Strengthening of existing independent peer review of major reports	Evaluation Director	2009 first peer review 2010	0	0 part of above increase in evaluation budget
2.82		b) Biennial review by a small group of independent peers for conformity of work to evaluation best-practice and standards – report to management and the Council together with the recommendations of the Programme Committee			0	
2.83	7.10b	c) Independent Evaluation of the evaluation function every six years – report to management and the Council together with the recommendations of the Programme Committee	Programme Committee & Management	2013 first evaluation	0	0 part of above increase in evaluation budget

2.84	7.10c	<p>Approval by the Council of a comprehensive evaluation policy incorporated in a “Charter”, including the above, and</p> <p>a) the FAO internal evaluation committee will interact with the Programme Committee as appropriate;</p> <p>b) the rolling evaluation plan will continue to be approved by the Governing Bodies, following consultation with the internal evaluation committee;</p> <p>c) the follow-up processes for evaluation will be fully institutionalised, including an independent monitoring system and reporting to the Programme Committee;</p> <p>d) all evaluation reports, management responses and follow-up reports will continue to be public documents, fully available to all FAO Members. Efforts to discuss and bring the reports to the attention of all concerned Governing Body members will also be further strengthened through consultative groups and workshops on individual evaluations;</p> <p>e) the evaluation office will have an institutionalised advisory role to management on results based management and programming and budgeting, reinforcing the feed-back and learning loop;</p> <p>f) evaluation will be well coordinated within the UN system, taking account of the work of the Joint Inspection Unit (JIU) and the evaluation office will continue to work closely with the United Nations Evaluation Group (UNEG).</p>	Council	2009	0	0
2.85						
2.86						
2.87						
2.88						
2.89						
2.90	7.10c	g) The provisions for evaluation as approved in the Charter reflected in the Basic Texts	Council	2009	0	0

31) **Audit:** High audit standards in FAO must be maintained. The Governing Bodies will examine the internal audit workplan and Management will proceed with ending the membership of the Office of the Inspector-General in decision making committees within FAO to limit potential conflict of interest. The Audit Committee should provide its reports to the Council through the Finance Committee and be available for consultation with the Council as appropriate.

Audit - Action Matrix

2.91	7.9a	In line with current policy, the work of the Inspector-General's office will be extended to cover all major organizational risk areas, making use of external expertise as necessary	Management	2008 - onwards	0	0.3
2.92	7.9b	The Audit Committee:	Management/ Council	2009 - onwards	0	0
2.93		a) will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Director-General and Finance Committee;				
		b) present an annual report to the Council through the Finance Committee				
2.94	7.9f	The External Auditor will assume responsibility for audit of the immediate office of the Director-General in addition to the regular audits carried out by the Inspector-General	Council	2008 - onwards	0	0

Appointment and Term of Office of the Director-General

32) The post of Director-General will be publicised well in advance of the election (candidatures, as now, will only be proposed by Member Countries). Measures will be enhanced to require the candidates to formally make a presentation to the Council and Conference and respond to questions prior to election. The term of office will be changed to a

four year term, with the possibility for only one single renewal for a further term of four years.

Appointment and Term of Office of the Director-General - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
2.95	4.20	Introduce procedures and Basic Text changes to strengthen opportunity for the FAO membership to appraise candidates for the post of Director-General prior to the election, including:	Conference	2009 - onwards	0	0.1 once every two biennia
2.96		a) Candidates for the post of the Director-General will address the Conference at which the election will be held. Members will have the opportunity to put questions to candidates (expenses of candidates will be covered from the FAO Budget);				
2.97		b) Candidates for the post of the Director-General will address a session of the FAO Council not less than 60 days prior to the Conference at which the election will be held. At that session both Members and observers to the Council will have the opportunity to put questions to candidates (the meeting with candidates is for information only and no recommendation or conclusion of the discussion will be made - expenses of candidates will be covered from the FAO Budget);				
2.98		c) Nominations by Member Governments of candidates for the post of Director-General will close at least 60 days prior to the above Council session;				
2.99		d) When the post of Director-General is due to become vacant it will be publicised, no less than 12 months before the closure of nominations, noting that all nominations remain fully the responsibility of Member Countries;				
2.100		e) The FAO Conference will consider for approval desirable qualifications for the post of Director-General developed by the CoC-IEE in 2009.	Conference Committee/ Conference	2009	0	0
2.101	4.20	Change Basic Texts for period of office of the Director-General to four years with possibility of renewal for one further period of four years	Conference	2009	0	0

C. Reform of Systems, Programming & Budgeting Culture Change and Organizational Restructuring

Reform of Programming, Budgeting and Results Based Monitoring

33) In order to improve prioritisation, effectiveness, impact and oversight of FAO's work, major reforms of programming and budgeting are proposed, including in the role of the Governing Bodies. Assessed contributions and extra-budgetary resources will be managed in a unified work programme, subject to the same planning and oversight, with encouragement to contributors of extra-budgetary funding to reduce earmarking and increase pool funding. Programming and Budgeting documentation will be drawn up, reflecting a results based hierarchy which will be monitored and evaluated for results. The Council will propose the programme of work, the level of the assessed budget and provide an estimate of extra-budgetary funding to the Conference (budgetary data will be divided between administrative and programme budgets corresponding to the new organizational structure). The date of the FAO Conference will shift to June of the second year of each biennium, in order to facilitate an earlier decision on the final budget for assessed contributions and orderly planning and oversight of the definitive programme of work by the Governing Bodies.

Reform of Programming, Budgeting and Results Based Monitoring – Action Matrix

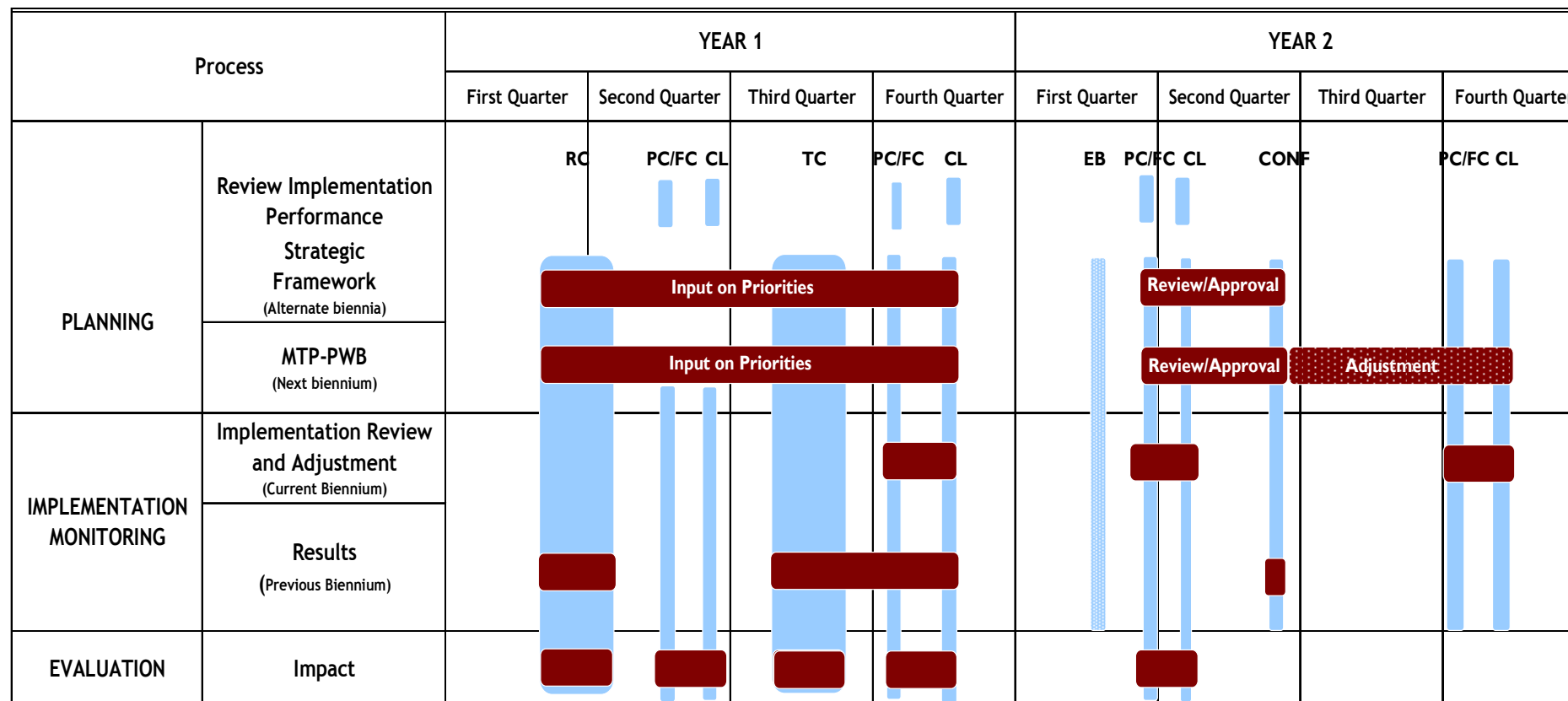
Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.1	7.1, 7.2 & 3.19	Introduction of revised Programme and Budget Documentation consisting of the following sections, which may be presented as a single document to avoid repetition and provide a complete picture (first full approval 2009 for 2010-2011 biennium):	Conference	2009 – continuing – first full cycle 2010- 2011	0.2	0.8
3.2		i) Strategic Framework with a 10-15 year time horizon reviewed every four years and including: <ul style="list-style-type: none"> • Analysis of the challenges facing food, agriculture and rural development and the dependent peoples, including consumers, • Strategic Vision, • The Goals of Member Nations, and Strategic Objectives for achievement with support from FAO by Member Countries and the international community, including indicative targets and indicators of achievement (some 8-12);				
3.3		ii) Medium Term Plan with a four year time horizon and reviewed each biennium, including: <ul style="list-style-type: none"> • Strategic Objectives for achievement with support from FAO by Member Countries and the international community, as per the Strategic Framework, • Organizational Results framework (outcomes) – a maximum of some 80 inclusive of the core functions, contributing to the achievement of Strategic Objectives by Member Countries and the international community. Each Organizational Result will have specified achievement targets and indicators for verification, show FAO's contribution and indicate the budget from assessed contributions and estimated extra-budgetary resources (targets may be conditioned upon level of extra-budgetary resources) Gender will be fully integrated into the Strategic Framework and Medium Term Plan and will no longer have a separate Plan of Action, 				

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
		<ul style="list-style-type: none"> • Impact Focus Areas which combine results, which focus resources as a communication tool, serving to mobilise and improve oversight of extra-budgetary resources in key impact areas, • Core Functions of FAO, and iii) Functional Objectives which ensure organizational processes and administration work towards improvements in a Results Based Framework;				
3.4.		iv) Programme of Work and Budget , each covering a single biennium, with the budget divided between an administrative budget and a programme budget presented in a results based framework and providing: <ul style="list-style-type: none"> • 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 increase and planned efficiency savings, • Provision for long-term liabilities, under-funded obligations and reserve funds • Draft Programme and Budget resolution. 				
3.5		v) The summary Programme of Work and Budget will be eliminated in view of the ongoing interaction of the Governing Bodies in the Programme development process.				
3.6	7.5	Introduction of a Revised Implementation Performance Results Based Management monitoring system and report: Each report will cover the previous biennium and report on delivery, and targets and indicators of results as well as efficiency indicators for the functional objectives. This report will replace the current Programme Implementation Report.	Council	First report 2012 and then each biennium	0.4	0
3.7	7.3	Introduction of revised cycle of preparation and Governing Body decision making (see Chart 1 below for sequencing). The date of the FAO Conference will move to June , starting from 2011, with a corresponding shift in the dates of all other meetings (the Council will meet in September 2009 in order to prepare the Conference – in line with the new cycle). The following full cycle will be introduced starting 2010 (for budgetary provision for meetings – see B Governance Reform):	Conference	Decision 2009 First full cycle 2010-11 and then continuing for subsequent biennia	0	0
3.8		i) <u>Year 1 of the biennium</u> (with at least two meetings of the Council): <ul style="list-style-type: none"> • the Technical Committees will review and make recommendations, with respect to their areas of mandate, on: FAO performance in contributing to results against performance indicators, including any pertinent evaluations, and <ul style="list-style-type: none"> ◆ priorities and results planned under the Medium Term Plan, including in areas of global governance, and suggest adjustments for the next biennium; • The Regional Conferences will with respect to their Regions, review and make recommendations on: <ul style="list-style-type: none"> ◆ FAO performance in contributing to results against performance indicators, including any pertinent evaluations; ◆ priorities and results planned under the Medium Term Plan, and suggest adjustments for the next biennium; and ◆ policy issues for the region to be considered at global level or through additional action at regional level. 				

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
		<ul style="list-style-type: none"> • The Council and the Programme and Finance Committees with respect to their areas of mandate, will review and make decisions on: <ul style="list-style-type: none"> ◆ the performance implementation report for the previous biennium, including performance against indicators; ◆ major evaluations; ◆ budgetary and implementation performance in the second half of the year; ◆ any necessary adjustments in the agreed Programme of Work and Budget; ◆ approve in advance requested reallocations between Chapters. 				
3.9		<p>ii) <u>Year 2 of the biennium</u> (with at least two and probably three main meetings of the Council):</p> <ul style="list-style-type: none"> • <u>Throughout the year</u> the Programme and Finance Committees and the Council will review and make decisions on any necessary adjustments in the agreed Programme of Work and Budget and approve in advance any requested reallocations between Chapters; • January - March: the Programme and Finance Committees and the Council will review the proposed Medium Term Plan and Programme of Work and Budget and in every second biennium, the Strategic Framework; • January –March: - not as part of the Governing Body cycle of meetings - an informal meeting will be held of interested members and other potential sources of extra-budgetary funds and partnership, to exchange information on extra-budgetary funding requirements, especially in relation to Impact Focus Areas; • March/April: The Council will make explicit recommendations to the Conference for the Results Framework and budgetary aspects, including the budget level; • June: The Conference will approve the Results Framework and budgetary aspects including the budget level; and • September – November: the Programme and Finance Committees and the Council will if necessary consider and approve any changes in the Results Framework and budgetary allocations following the Conference decision on the budget level. 				
3.10	7.3	Introduce necessary Basic Text changes for Programme and Budget cycle including the timing of Governing Body sessions	Conference	2009	0	0
3.11	8.17	In addition to capital account and TCP, introduce provisions for roll-over of up to five percent of the assessed budget, between biennia, in order to smooth income and expenditure, thus reducing wasteful and inefficient transactions.	Conference	2009	0	0

Chart 1

**Schedule for Governing Body Input and Oversight Under
The Reformed Programming, Budgeting and Results Based Monitoring Systems**



Legend: RC: Regional Conference	TC: Technical Committees of Council MTP Medium-Term Plan	PC: Programme Committee PWB Programme of Work and Budget	FC: Finance Committee EB: Extra-Budgetary	CL: Council	CONF: Conference
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Resource Mobilization and Management Strategy

34) Assessed contributions will be supplemented by extra-budgetary contributions in an integrated resource mobilization and management strategy for support to agreed priorities in the Strategic Objectives. This will facilitate both Governing Body oversight and increased focus and impact, while recognising that extra-budgetary contributions are not fully assured (see also paragraph 8). It will facilitate increased predictability of extra-budgetary resources through greater pool and programme funding (as distinct from project funding) and will reduce transaction costs. Essential building blocks for the strategy will include:

- a) the areas selected by the Governing Bodies as an integral part of the Medium Term Planning process to form a focus for extra-budgetary resources:
 - o Impact Focus Areas (IFAs),
 - o Country development priorities as defined in National Medium-Term Priority Frameworks,
 - o Regional and Sub-regional Programmes;
- b) a series of measures to improve the management of Assessed Contributions⁷.

Resource Mobilization and Management Strategy – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N,	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.12	7.6	To supplement Assessed Contributions, projected extra-budgetary resources will be integrated within the programming and budgeting process, including the definition of Impact Focus Areas, while recognising that extra-budgetary funding is not fully predictable (see also paragraphs 8 and 33), and:	Conference	Decision 2009 and then continuing	0.7	0.7
3.13		a) review by the Council of the plans for, the application and results of extra-budgetary resources in an integrated framework on the basis of the findings and recommendations of the Programme and Finance Committees, ensuring that resources are mobilized to support the agreed priorities of the Organization;				
3.14		b) put in place a management structure for extra-budgetary resources and assessed contributions which places overall strategy, policy, management and coordination of resource mobilization, including donor relations on policy, in a central Office of Strategy, Planning and Resources Management with decentralized responsibilities at all levels within the coordinated framework for resource mobilization, in particular at regional and country levels including a small unit in the Department of the Organization dealing with Technical Cooperation which will support the decentralized offices and operations units in their liaison with donors ⁸ ;				
3.15		c) vigorously pursue new partnerships, including with the private foundations;				

⁷ The operational modalities will be further developed by management in 2009 through the Follow-up Conference Committee with advice and inputs from the Programme and Finance Committees as appropriate.

⁸ The modalities will be further developed following consideration of the report of the Root and Branch Review with advice from the Finance Committee as appropriate.

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.16		d) keep under continuous review both efficiency measures and the cost of support services to extra-budgetarily funded work to ensure that there is no cross-subsidisation between the sources of funds.			0	0
3.17	4.6	Review treaties conventions, agreements and similar bodies and instruments established under articles VI, XIV and XV of the FAO constitution with a view to their developing a greater degree of self-funding from their members (see also 2.69). Present report to Council and reports to the parties to the agreements.	Council & parties to agreements	2010-2012	0	0
3.18	8.16	Introduce measures to encourage timely payment and the avoidance of arrears and management of resource availability, taking account of the Recommendations of the Finance Committee, including:	Conference/ Council	2008 decision and applied continuously starting 2009	0	0
3.19		a) annual review by the Council on the basis of a report from the Finance Committee of the situation of late payments and arrears and its implications for the Organization's liquidity;				
3.20		b) prominent reporting on the main FAO public website of the situations of timely payments and delayed payments and arrears by country;				
3.21		c) continuation of the present responsible borrowing policy to smooth cash flow				

The Technical Cooperation Programme

35) The Technical Cooperation Programme is a central programme of the Organization enabling it to provide catalytic technical inputs to developing country members. Members thus reaffirmed their commitment to increase both the amount and the proportion of total resources of the Organization from assessed contributions dedicated to TCP, subject to ex-post audit and evaluation. It will no longer be used in any way as a reserve fund for shortfalls in payments, anymore than any other programme of the Organization. The responsibility for TCP allocations will be assigned to Regional Representatives and at country level to FAO Representatives.

Technical Cooperation Programme – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.22	3.2c & 7.8	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.	Conference	2008 Decision	0	0
3.23		Indicative allocations to regions agreed as follows with review by the Council every four years in line with the Medium Term Planning cycle: Africa 40%; Asia and Pacific 24%; Latin America and Caribbean 18%; Europe 10%; Near East 8%. Developed countries are eligible for TCP but only on a full refund basis		Full implementation from 2010-11 biennium onwards	0	0

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.24	3.2c & 7.8	TCP project cycle and TCP approval guidelines to be reviewed in 2009, reaffirming priority to Least Developed Countries; Low-Income Food-Deficit Countries; Small Island and Land-Locked Developing States, further clarifying existing Council approved guidelines and specifying:	Programme Committee/ Council	2009 or 2010	0.7	(0.9)
3.25		a) approval criteria including convergence of countries' needs and the Organization's agreed Strategic Objectives and Organizational Results;				
3.26		b) specify minimum information required from countries for consideration of request;				
3.27		c) clarify the project cycle - specifying the steps and responsibilities for clearances at each stage of the process, simplifying the number of steps, and with delegations to decentralized offices at the lowest level possible;				
3.28		d) clearly specify timelines for each stage of the process so that managers can be held accountable;			0	0
3.29		There will not be universal criteria for the proportion of TCP funding to go to Regional and sub-regional projects, as this varies from region to region.			0	0

Institutional Culture Change

36) Culture change is fundamental to the successful reform of FAO and is a long-term process which requires high levels of participation and improved communication horizontally and vertically. It is closely linked to human resource policy and a culture of responsibility, accountability and incentives. The establishment by management of a culture change team, in a process led by the Deputy Director-General is welcomed.

Culture Change in the FAO Secretariat – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.30	6.2	Develop terms of reference, and appoint, an External Facilitator and change team	Management	2008-09	1.0	0
3.31	6.1 & 6.2	Development of Internal vision	Management	2008-09	0.5	0
3.32	6.1 & 6.2	Implementation of the vision	Management	2009 onwards	?	?

Ethics

37) The appointment of an Ethics Officer and the subsequent establishment of an Ethics Committee is welcomed.

Ethics – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.33	7.9g	Appointment of an Ethics Officer, functioning of the office, and training of staff	Management	2009	0.2	0.8
3.34	7.9g	Review of Terms of Reference and proposed membership of Ethics Committee by the CCLM and the Finance Committee	Finance Committee & CCLM	2009	0	0
3.35	7.9g	Appointment and initiation of work by Ethics Committee	Management	2009	0	0
3.36	7.9g	Review of annual or biennial report of Ethics Committee by the Council on the basis of the findings and recommendations of the CCLM and Finance Committee	Council	2010 onward s	0	0

Reform of Administrative and Management Systems

38) **Approach to Risk:** There is agreement on moving from *ex ante* to *ex post* controls, and the negative impact of controls and lack of delegation on staff motivation. A risk assessment and management study should be undertaken beginning in 2009. Management is urged to make rapid progress not only in administration but in other areas of delegation, procedural simplification and greater flexibility and introduce these in its early actions.

39) **The Root and Branch Review and other Administrative and Financial Improvements:** The Root and Branch Review has been contracted to the consultancy firm Ernst and Young and covers all aspects of administrative servicing, contracting purchasing, financial management and systems, human resources, and information technology and communication systems.

40) In addition to the Root and Branch Review a culture and system must be in place to build on the accomplishments of changes in business models and practices and thus ensure that best practice continues to be applied in future. Early actions have been agreed with management to initiate immediate implementation.

Reform of Administrative and Management Systems – Action Matrix
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Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. No.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
Management Early Actions summary including:						
3.37	8.4 8.3 &	Delegations of authority from the Office of the Director-General for human resource actions;	Management	2008- 2009	0	0
3.38	8.10 8.10	Delegation of authority for procurement, authority for Letters of Agreement to divisional level and in the decentralised offices;			0	0
3.39	8.10	Streamlining of travel procedures;			0	0
3.40		Local procurement for emergencies;			0	0
3.41	8.10	Opening of temporary operational cash accounts in the field;			0	0
3.42		Development and deployment of a field version of oracle adapted to FAORs' needs. Note: some early actions will be completed by the time of the Special Session of the Conference; other major items which will incur costs beyond the Conference are reflected below (e.g. Root and Branch review and performance management).			0	0

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. No.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
Basic Text change to facilitate delegation of authority						
3.43	8.1	Revise Basic Texts to stipulate that in line with the agreed principle of delegations of authority to the lowest appropriate levels, the Director-General may delegate final authority and responsibility in specific areas of work and action to designated officers and such delegations will be reflected in the FAO manual and published job descriptions.	Council/Conference	2009	0	0
Follow-up to the Root and Branch Review:						
3.44	8.1	Conduct of Root and Branch Review	Management	2008-09	2.4	0
3.45		Review by management, the Council and the Finance Committee of the Final Report	Management/Council	2009	0	0
3.46		Development of follow-up action plan	Management	2009	0	0
3.47		Review by Governing Bodies of the Follow-up Action Plan	Council	2009	0	0
3.48		Implementation of Action Plan	Management	2010 onwards	0	0
Shared Services with Rome Based UN Agencies (see Partnerships below)						
Enterprise Risk Management Framework						
3.49	8.15	Agreement by Finance Committee on Terms of Reference for a comprehensive enterprise risk management study addressing all forms of risk, including but not limited to financial risk	Management/Finance Committee	2009	0	0
3.50		Issue of external contract for the study	Management	2009-2010	1.2	0
3.51		Review by management and the Council and Finance Committee of the Final Report	Management/Council	2010	0	0
3.52		Development of follow-up action plan	Management	2010	1.2	0
3.53		Review by Council and the Finance Committee of the Follow-up action plan	Council	2010	0	0
3.54		Full Implementation of Enterprise Risk Management Structure and systems	Management	2011 - onwards	?	?

Publishing in all Languages of the Organization

41) It is essential that the Organization improve the availability of its publications to users, including different language groups. It must also ensure that good translations are delivered at the lowest possible cost.

Publishing in all Languages of the Organization - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.55	3.6	A budget will be set aside for technical publishing (paper and web) in each FAO language. A panel of users of technical documentation in each language will decide on the application of funds for translation (this is in addition to the existing budget for main meeting documentation)	Management	2010 onwards	0	0
3.56	3.6	Increased hard copies of technical documentation will be made available to Least Developed Countries with decisions on priorities for documents taken by the same panels	Management	2010 onwards	0	0
3.57		Separate mirror websites to the FAO website will be developed for Arabic and Chinese	Management	2010 onwards	0.2	0.1
3.58		Following the findings of the Root and Branch Review, improvements will be introduced to ensure quality and timely translation if possible at reduced costs	Management	2010 onwards	0	0

Human Resource Policies and Practices

42) FAO's human resources are the main asset of the Organization, providing the totality of its technical support to Member Countries. The strategy developed by Management presented a vision which now needs to be converted into a concrete action plan. Although the detailed results of the Root and Branch Review will further improve the plan, immediate improvements will proceed in parallel with this Review according to the Plan. The Council with the support of the Finance Committee will actively review human resources policy and practices.

Human Resource Policies and Practices - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.59	8.5	Maintaining the primary criteria of staff and consultant selection on the basis of merit, implement an effective policy for geographical and gender representation, particularly regarding developing countries	Management/ Finance Committee	2009 - continuing	0.1	0.1
3.60	8.8	Introduce a package for increasing staff training, including in management	Management	2009 - continuing	1.7	1.8
3.61	8.2	Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria	Management/ Finance Committee	2009 - continuing	0	8.8
3.62	8.2	Establish a joined-up and consistent system for the recruitment and development of young professionals, particularly from developing countries. This will include the intern programme	Management/ Finance Committee	2010 - continuing	0	2.0
3.63	8.4	Decentralise and delegate decision making within clear policies and requirements, including further delegation of authorities from the Office of the Director-General and from senior management	Management	2008 - continuing	0	0
3.64	8.4	Wider publication of FAO vacancies	Management	2009 - continuing	0	0.2
3.65	8.4	Develop, publish and implement procedures for full transparency in the selection and recruitment of all senior staff and FAORs	Management/ Finance Committee	2009 - continuing	0	0
3.66	8.4	Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs, including competencies in management and policy support	Management/ Finance Committee	2009 - continuing	0.1	0
3.67	8.3	Introduce transparency and competitive policies for recruitment of consultants with measures to ensure attention to geographical and gender balance	Management/ Finance Committee	2009	0	0.1
3.68	8.3	Rationalise the use of FAO retirees who will not be rehired for at least six months after their retirement from FAO	Management	2009	0	2.0
3.69	8.3	Consultants, including FAO retirees, will not be used for long-term gap filling in vacant posts as a cost saving measure	Management	2009	0	0
3.70	8.7	Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria	Management/ Finance Committee	2009	1.7	0.7
3.71	6.15 & 8.3	Introduce dual grading for P5/D1 and D1/D2 posts	Management	2009	0	0
3.72	8.2	Upgrade the Oracle systems to i) improve ease of data extraction and analysis and ii) to support substantive staff management, rather than purely transaction processing	Management	2010	1.3	0
3.73	8.3c	Establish a staff redeployment fund initially funded from extra-budgetary resources and subsequently funded from a proportion of staff costs	Council	2009	12.4	5.0

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.74	4.8e	Enhance governance oversight of all aspects of human resource policies through the Finance Committee, including the use of consultants	Council/ Finance Committee	2009	Covered under Governance	
3.75	8.3d	Governing Body action and action by management to secure changes at the UN Common System level a) develop proposals for Common System change b) present changes to UN	Council & Management	2010- 2011	0	0

Restructuring for Effectiveness and Efficiency

Functioning as One Organization

43) The decentralized offices and headquarters will work as one effectively integrated Organization, through decentralization of authorities, networking and full involvement of the decentralized offices in FAO's overall decision making. Similarly headquarters will be organized in fewer units with a much more integrated approach to programmes and clearer lines of responsibility. This culture change underlies many of the actions and changes discussed below.

Decentralized Offices and Country Presence

44) It is important for FAO to have a strong decentralized presence to contribute in a results based framework to the achievements of the Organization's Strategic Objectives. Such a presence is essential to provide services flexibly to Members and create an effective flow of information as a knowledge organization. Decentralization will be accompanied by delegation of responsibility with accountability. In common with the whole of FAO, decentralized offices and staff will be subject to results-based performance assessment.

45) Effective decentralisation depends upon an appropriate balance between administrative costs and programme expenditures and between headquarters and field offices and strategically selected locations. The present situation of an inadequate budget to ensure the continuous staffing of Country offices is unsustainable and the structural deficit cannot not be allowed to continue. Offices will be specifically tailored to the needs of individual countries and regions with rationalised coverage based on clear criteria for resource allocation and developmental impact at country level. Improvement and rationalisation of decentralised services will thus proceed in a framework which, without impairing Headquarters capabilities, assures adequate resources for both the capacities of decentralised offices and headquarters.

Decentralization - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.76		The Programme and Finance Committees will support the Council in providing policy oversight of all aspects of the Decentralization including in particular the implementation of the Immediate Plan of Action	Council Programme & Finance Committees	2009 - onwards	0	0
3.77		Organize Senior Management Meetings so that ADG/Regional Representatives can be present via video link	Management	2008 - onwards	0	0
3.78	6.20	Transfer the primary reporting line for decentralised technical officers in the regional offices to the Regional Representatives (ADGs) or, where more appropriate for sub-regional staff, the sub-regional coordinator	Management	2009 onwards	0	0

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.79	6.19	Fully involve ADG/Regional Representatives in programming and budgeting (see also 3.14)	Management	2009 onwards	0	0
3.80	6.20	Transfer Budget and Programme responsibility of technical officers in the regional offices to the Regional Representatives (ADGs)	Management	2010 onwards	0	0
3.81	6.20	Transfer primary responsibility for technical, substantive and technical aspects of supervising FAORs to the Regional Representatives (ADGs) with, where appropriate, the reporting line to the ADG through the sub-regional coordinator. A unit in the office responsible for operations will handle overall coordination, liaison between regions, etc.	Management	2009 onwards	0	0
3.82	6.19	Revise all delegated authorities to decentralized offices and control procedures (see also above)	Management	2009 – completion 2011	0	0
3.83	6.21	Discontinue administrative responsibilities with sub-regional offices to allow them to function fully as technical support units to countries of the sub-region	Management	2009 – completion 2010	0	0
3.84	6.22	Clearly distinguishing between well established offices and any plans for additional new offices, rationalise coverage of country offices following results of review utilising agreed criteria, taking into account both existing and potential locations, efficiency, projected cost savings and cost/benefit analysis. Implementation of the results of the review will ensure that at a minimum the structural deficit is eliminated in the Country representation (FAORs) through alternative forms of country presence, with further reductions desirable to free up resources for the improved functioning of the decentralized offices. Criteria to be applied: a) size of the FAO Programme (indicative ratio office costs to size of programme 1:3); b) commitment to the National Medium-Term Priority Frameworks as they are developed with FAO; c) size and poverty levels of agriculturally dependent population; d) priority to Least Developed Countries; e) potential for agriculture in economic growth; f) ease of servicing from another country; g) potential for shared or fully joint representations with the UN system, particularly with the other Rome-based agencies, and other regional organizations as appropriate; and h) willingness of governments to cover costs of FAO presence.	Management (with annual reports to Council with savings indicated)	2009-12 (with Council annual review and overall review in 2012)	0	0
3.85	6.20 & 6.21	Adjust composition of sub-regional and regional office staffing in line with priority needs, reviewed in light of the UN system offices	Management	2009-12	0	0
3.86		Clarify coverage of Near East Regional Office	Management	2010	0	0
3.87	8.4	Redefine job descriptions, profile of competencies (including policy competence), recruitment and performance appraisal procedures (open competitive) for Regional ADGs, Sub-Regional Coordinators and FAORs (see also 3.66)	Management	2009	0.1	0
3.88	8.6	Introduce benchmarks and a performance-based reporting and monitoring system for decentralized offices	Management	2010	0.2	0.6
3.89	8.8	Strengthen staff training (see also 3.60)	Management	2009	Covered under HR above	
3.90		Deployment of support systems (including training and upgrade of IT information systems)	Management	2009	1.3	3.4

Headquarters Structure

46) A comprehensive programme of Headquarters restructuring will be initiated in 2009 for completion by 2012. Recurrent savings will be achieved through restructuring for redeployment in undertaking the technical work of the Organization. The following principles are being applied to restructuring:

- a) Facilitating the effective work of the Organization in achieving Organizational Results and contributing to Strategic Objectives in line with the results-based framework;
- b) A manageable span of control of the number of reports to managers at all levels, including the Director-General;
- c) Consolidation of units at all levels to reduce fragmentation and costs of senior posts, reducing FAO's tendency to work in silos;
- d) Better integration of headquarters and decentralised offices with representation of the decentralized offices in senior management decision making processes;
- e) Flexible unit structure depending upon functions;
- f) Delayering, with reduction of senior posts including D1 and D2 levels, with the introduction of dual grading of posts including D1/D2 and P5/D1 in order to strengthen technical capacity and with due attention to improving geographical and gender balance;
- g) Facilitating the effective development and use of human resources, including the management, training and promotion of human resources as a major element in reshaping the headquarters structure;
- h) Promotion of management by results with clear frameworks for action and delegation and accountability for management within the frameworks and policy guidelines;
- i) Undertaking tasks at the most cost-effective location;
- j) Exploring the possibilities for shared services and joint action within the framework of partnership in the UN system and amongst the Rome-based UN agencies (see IPA Action Matrix points 3.109-3.113);
- k) Exploring possibilities for cost-efficient and effective outsourcing; and
- l) Maintaining flexibility to respond to changing world needs.

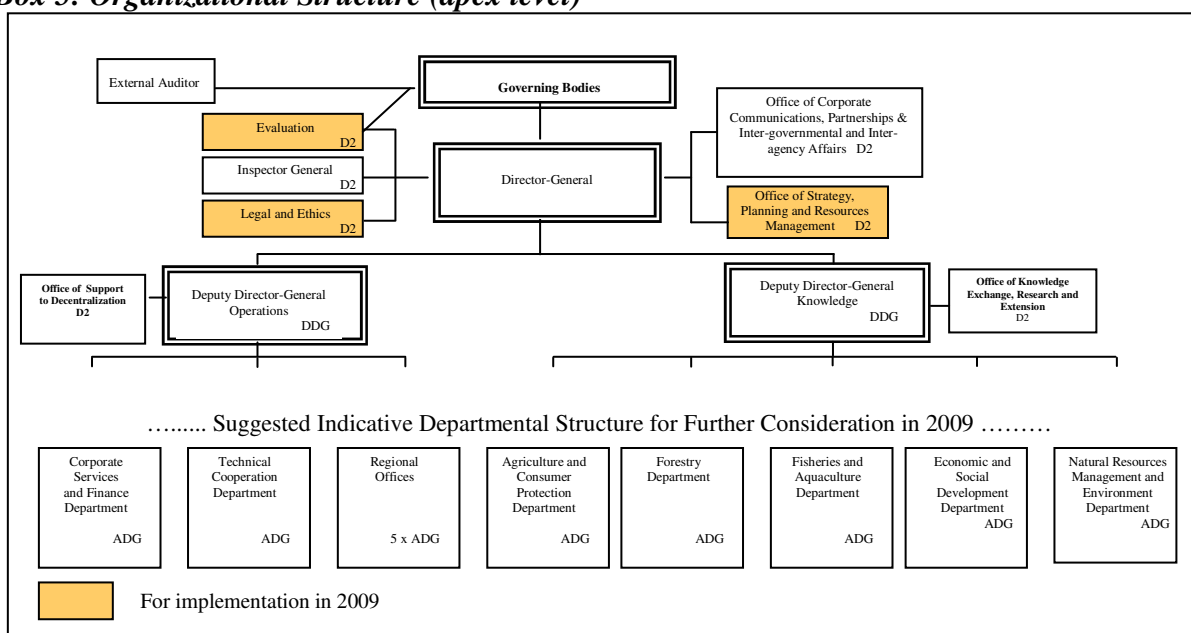
47) Changes in the apex organizational structure are designed to be fully responsive to the issues raised by the Root and Branch Review in the high level business model and will be flexibly adjusted during 2009 for implementation in 2010-11, as the functions are further developed in the lower subordinate structures. The recommendations of the Root and Branch Review are expected to have particular implications for the functional organization of corporate services, while the further development of the Organizational Results for the Strategic Framework and Medium Term Plan will have implications for the flexible development of the functional structure within the Technical Departments. Both the Medium Term Plan and the Root and Branch Review may have implications for operational functions. The apex structure of the senior management (see Box 5) is approved in principle and will be implemented in 2010 following any adjustments resulting from a complete functional analysis in 2009. The departmental structures and mandates will also be finalised for implementation in 2010 following this analysis.

48) Equally important to the organizational structure is the development of functional relationships, decision making and communication, together with the underpinning development of human resources.

Headquarters Structure – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.91 3.92 3.93 3.94	6.7 & 6.15	a) establish offices of: i) Strategy, Planning and Resource Management; ii) Evaluation; iii) Legal and Ethics b) examine the most appropriate organizational functions and structure for corporate communications, partnership and interagency affairs; c) transfer OCD functions to Regional/sub-regional Offices and to a coordination unit in the office responsible for operations; d) delayering of D level posts (27 to be abolished for 2010-11 biennium)	Conference (2008)	2009	0	0
3.95				2009		
3.96				2010 - 11		(17.4)
3.97	6.6 6.7 & 6.8	Approve in principle the apex of the Structure of Headquarters Departments and the Senior Executive Management (see Box 5 below) for introduction in 2010, subject to any adjustments indicated by the functional analysis below	Conference 2008	2010-11	0	0
3.98		Complete functional analysis of the work of the Headquarters Departments and finalise plans for their reorganization and detailed mandates <ul style="list-style-type: none"> • Technical Departments in light of Medium Term Plan • Operational functions in light of Medium Term Plan and the Root and Branch Review • Support Services, Administration and Human Resources in light of Root and Branch Review 	Management/ Conference Committee/ 2009 Conference	2009	0	0
3.99		Conference approval of the revised Headquarters structure in the Programme of Work and Budget 2010-11	Conference	2009	0	0
3.100		Appoint Senior Executive Management Team including two DDGs	Director-General	2010	0	0
3.101		Implement new Headquarters structure	Management	2010-11	0.5	17.4
3.102		Reorganize senior management responsibilities, including for strategic objectives and core functions	Director-General	2009-10	0	0
3.103		Review reorganization with a view to further improvements	Council/ Conference	2012	0	0

Box 5: Organizational Structure (apex level)



Partnerships

49) A strategy for development of FAO's capacity to assist Members in achieving their Global Goals through partnerships and strong alliances is fully endorsed. Particular stress is placed on the importance of partnership with the Rome Based agencies with respect to both technical and administrative functions at country and headquarters levels and partnerships at country level within the UN system in the context of UN system coherence and effectiveness for members. At regional and sub-regional levels importance is attached to cooperation with regional economic organizations and it is emphasised that global partnerships must address regional and country dimensions as well as global issues. New approaches need to be developed for partnership with the private sector.

Partnerships – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
					Investment	Recurrent per biennium
Ref. N.	Ref. IEE Rec	Action				
3.104	5.1	Finalise and disseminate guiding corporate principles on partnerships as a living document, including that partnerships are: a) not an end in themselves but a means for greater effectiveness in supporting international governance of agriculture and agricultural development, pursuing the objectives and priorities of the Strategic Framework of the Organization. The desirability of a partnership thus depends on the mutual value-added and benefits in achieving shared objectives expressed in terms of results, and weighed against the costs and impediments to its effectiveness for the partners; b) based on the comparative advantages of the partners and aim at specific goals of FAO shared by the partners; and c) generally built-up from ongoing collaboration. The nature of FAO's role will vary according to the different partnerships it engages in and the Organization may take a leadership role or act as facilitator in some, and be a participant in others. FAO must at all times preserve its neutral and impartial role and act in a transparent manner, avoiding partnerships where significant conflict of interest is of concern	Management	2008-2009	0	0
3.105						
3.106						
3.107						
3.108						
3.109	5.1	Stocktaking of partnerships including the potential for greater partnership with the private sector. Undertake assessment and launch new or renewed partnerships pursuing the possibilities for further joint activities and collaborative arrangements with: ➤ the United Nations system, with emphasis on partnership at country level; ➤ CGIAR and OIE; ➤ International Atomic Energy Agency; ➤ the private sector; ➤ civil society organizations	Management/PC/FC and Council	2009-2010	0	0.2
3.110	5.1	Preparation of a short-term agenda of initiatives (12 months) that will generate outcomes and outputs and preparation of a medium-term action plan in line with the Medium Term Plan (4 years), including development and implementation of a training programme	Management	2009	0.2	0.1
3.111	5.4	Further pursue partnership with the Rome based UN agencies for synergies leading to both efficiency gains and increased effectiveness, making full use of the comparative strengths of the three Organizations within their respective mandates, particularly with respect to: a) areas of technical programme interface and overlap both in normative and development work;	Management/PC/FC/ Council	2009 - ongoing	0	0
3.112						
3.113		b) shared administration and services (taking note of the findings of the Root and Branch Review);				

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref. N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
3.114		c) joint oversight functions, including evaluation.				
3.115		Regular joint meetings of the management of the three organizations will take place with the membership to review progress		2010 ongoing		
3.116		Progress and proposals to be reviewed annually by the Council on the basis of recommendations of findings of the Programme and Finance Committees		2009 - ongoing	0	0
3.117	5.1	Establishment of a monitoring mechanism to ensure feedback and iterative improvement of partnership collaborations and of the FAO strategy	Management	2009- 10	0.3	0
3.118	5.1	Establishment of focal point responsibilities for partnerships	Management and Council	2009- 10	0	0

D. Follow-up Arrangements for Implementation of the Immediate Plan of Action

Governing Body Follow-up

50) A combination of use of the Council and a time-bound Conference Committee will ensure follow-up of the decisions of the Special Session of Conference for the Implementation of the Immediate Plan of Action, including finalisation of the Strategic Framework and Medium Term Plan and consideration of the major recommendations of the Root and Branch Review. The provisions will maintain continuity with CoC-IEE Follow-up process and also strengthen involvement of the continuing Governing Bodies through the Council and Programme & Finance Committees.

Governing Body Follow-up - Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
4.1		The Council will monitor the progress of implementation of the Immediate Plan of Action. and report to the Conference at its 36 th Session (2009) and its 37 th Session (2011). It will be supported in this by the Programme and Finance Committees and reports from the management.	Conference	2009-11	0	0
4.2		A time-bound Conference Committee will be established for the duration of 2009 under Article VI of the FAO Constitution to complete outstanding work within the Immediate Plan of Action (see below). It will present its report to the 36 th Session of the FAO Conference in November 2009. This Committee will collectively decide the final recommendations of the Committee to the Conference, arriving at its decisions to the maximum extent possible through consensus. The Conference Committee will undertake its work with the direct support of Working Groups and with direct expert inputs to the Working Groups from the Programme and Finance Committees and the advice of the Council as appropriate. FAO management is expected to actively support the Committee and participate in its meetings and those of its Working Groups. The functions of the Committee, without prejudice to the statutory functions of the Council and its standing committees are: i) to recommend to the 36 th session of the FAO Conference (2009):	Conference	2008-09	1.6	0
4.3		<ul style="list-style-type: none"> • the new Strategic Framework, Medium Term Plan 2010-13 and the Programme of Work and Budget 2010-11 proposed by management with a new integrated results-based framework. These recommendations will be developed by the Conference Committee and will be undertaken with the support of a Working Group of the Conference Committee and with direct expert inputs to the Working Group from the Programme and Finance Committees, the support of management and the advice of the Council as appropriate; 			0	0
4.4		<ul style="list-style-type: none"> • any changes found desirable in the size and regional representation in the membership of the Council and propose with advice from the CCLM any necessary changes in the Basic Texts to the 2009 Session of the Conference; 				

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
4.5		<ul style="list-style-type: none"> • further reforms of systems, culture change and organizational restructuring, including: <ul style="list-style-type: none"> ◆ Follow-up action to the final report of the Root and Branch Review (17 April 2009); ◆ Initiation and review of the report of the study for an Organizational Risk Assessment and Management Framework, ◆ Plans for increased effectiveness and streamlining of the decentralized offices; ◆ Plans for restructuring of headquarters; ◆ Detailed proposals for strengthened financial management; and ◆ Detailed proposals for strengthened Human Resource management. 				
4.6		<ul style="list-style-type: none"> ii) to provide policy oversight and guidance of the process of revision of the Basic Texts in line with the changes provided for in the Immediate Plan of Action (and propose the necessary changes to the Conference Report). This work will be carried out on the basis of the recommendations of the Committee on Constitutional and Legal Matters (CCLM) and review by the Council as appropriate. 				

Managerial Arrangements for IEE Follow-up Implementation

51) The Director-General has established internal managerial arrangements which are currently overseen by the senior management meeting supported by a reform group of senior staff and with a number of working groups on particular issues. These arrangements are currently being reviewed for the future and a dedicated coordinator may also be appointed.

FAO Managerial Arrangements for IEE Follow-up Implementation – Action Matrix

Actions			Responsibility for final decision	Start-End Year	Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
4.7		Establish internal managerial arrangements including:	Director-General	2008-11	2.0	0
4.8		i) a reform support group;				
4.9		ii) specialist working groups, including for the Root and Branch Review and the Change Team drawn from all parts and levels of the Organization (decentralised and centralised)				

Resourcing Implementation of the Immediate Plan of Action

52) For 2009, ensuring the start-up of implementation, including the Governance follow-up arrangements, requires funding by voluntary extra-budgetary contributions through the establishment of a Trust Fund. Such funding should also permit immediate follow-up to the Root and Branch Review and ensure the integrity of implementation of the 2008-09 Programme of Work and Budget. From 2010-11 funding for implementation of the Immediate Plan of Action will be treated under the Programme of Work and Budget. Provisional costings totalling US\$ 21.8 million for 2009 are provided below.

Funding Requirements of the IPA and Root and Branch Review in 2009 (US\$ million) (provisional figures)					
	Costs			Resources already identified	Resource requirement 2009
	Investment	Recurrent	Total		
Immediate Plan of Action	13.1	5.1	18.2		
Root and Branch Review	4.5	3.0	7.5		
Total	17.6	8.1	25.7	3.9	21.8

Funding 2009 Implementation Follow-up - Action Matrix
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Actions			Responsibility for final decision	Start- End Year	Provisional Costs or Savings US\$ (million)	
Ref N.	Ref. IEE Rec	Action			Investment	Recurrent per biennium
4.10		Establish Trust Fund and cost of 2009 implementation	Conference/ Management	2008	14.7	7.1
4.11		Contribute to trust fund	Members	2008- 09		

Annex to the Immediate Plan of Action Summary of Costs, Savings, Resource Requirements and Implementation Schedule

i) Summary of Costs, Savings and Resource Requirements for Implementation of the Immediate Plan of Action (IPA)

I: Introduction

- 1) The discussion below presents preliminary and tentative costs and savings estimates and resource requirements for the implementation of the Immediate Plan of Action and for the initiatives described in the Stage 1 deliverable of the Root and Branch Review.⁹ Costs and savings estimates could alter if projects change in scope or timing, as further information becomes available, and/or if further synergies are identified¹⁰. In particular, it will be important to gain a deeper understanding of all initiatives stemming from the Root and Branch Review in conjunction with the IPA actions.
- 2) The estimated costs and savings for each action are provided in the action matrices in of the Immediate Plan of Action (IPA). The assumptions for development of the costings and savings can be found in the Annex to Finance Committee document FC 123/18 - Cost and Funding Modalities of the Immediate Plan of Action.
- 3) This section of the Annex to the Immediate Plan of Action (IPA) is divided into four main parts:
 - Section II focuses on overall costs and savings from the implementation of the IPA (i.e. excluding the preliminary findings of the Root & Branch Review).
 - Section III presents the costs and savings stemming from the main initiatives identified in the Stage 1 Deliverable in the Root and Branch Review.
 - Section IV presents a holistic view of the IPA and preliminary Root and Branch Review costs and savings.
 - Section V focuses on 2009 only (IPA and Root and Branch Review), presenting all requirements and identified sources of funding.

II: Immediate Plan of Action (2009-2011)

- 4) The following five tables are presented to provide a more categorized view of the costs shown in the action matrices in Part II of the IPA. The tables show all IPA costs grouped into sub-categories, and include total investment costs and total biennial recurrent costs. The subset of costs for 2009 is shown in Section V.
- 5) Table 1 shows the costs for improved governance and oversight. While investment costs are not particularly high (USD 1.3 million), the recurrent biennial costs are quite substantial at USD 9.2 million per biennium. Under governance, the large increases occur for the Council, where additional sessions and translation of verbatim records increase costs by USD 3.1 million. The other large increase in this category is a result of the importance given to Evaluation, where bringing the budget to at least 0.8% of the Regular Programme budget results in a biennial increase of USD 4.5 million.

⁹ In examining the costs and funding modalities of the IPA, the Finance Committee at its 123rd session in October 2008 "...concluded that the figures provided an acceptable indication of the order of magnitude of the overall costs and savings that would stem from implementation of the Immediate Plan of Action and the Root and Branch review initiatives". (CL 135/8 paragraph 66)

¹⁰ Since the finalization of this costing information, for example, additional costs of approximately USD 0.3 million have been identified for consultative meetings of the Independent Chair of the Council with regional groups and for the cost of travel and stay of the Independent Chair of the Council in Rome.

Annex Table 1

Improved Governance and Oversight		
	Total Investment	Biennial Recurrent
	in USD millions	
The Council	0	3.1
Increased sessions		1.4
Translation of verbatim records		1.7
Other Governing Bodies	0.8	0.8
Independent review of governance reforms	0.8	
Translation of Conference verbatim records (all languages)		0.4
Travel for presentation of Regional Conference reports		0.4
Evaluation	0	4.5
Increase budget to 0.8% - 1% of the total RP budget		4.5
Other	0.5	0.8
Audit, appraisal of DG candidates, review of statutory bodies, etc.	0.5	0.8
Total Improved Governance and Oversight	1.3	9.2

6) Table 2 provides an overview of the largest single cost category in the IPA, which is dedicated to increase effectiveness through improved human resource policies and practices. The actions are grouped into three categories: attracting the highest calibre staff, developing and appraising staff, and staff renewal. The single largest recurrent cost in these categories is the implementation of a rotation policy, which, assuming 80 rotations per year, would result in USD 8.8 million in recurrent costs per biennium.

Annex Table 2

Improved Effectiveness through Human Resource Policies and Practice		
	Investment	Recurrent
	in USD millions	
Attracting highest calibre staff	0.2	2.4
Young Professionals Programme		2.0
Recruitment policies	0.2	0.4
Developing and appraising staff	4.7	2.5
Staff development programmes	1.7	1.8
Staff appraisal system	1.7	0.7
HR Management Information system	1.3	
Staff renewal	12.4	15.8
Rotation policy		8.8
Rationalise use of retirees		2.0
Staff redeployment fund	12.4	5.0
Total Human Resources Policies and Practices	17.3	20.7

7) Another large item is a one-time staff redeployment fund of USD 12.4 million, which is the estimated cost of implementing the proposed layering at headquarters. Although this is a large upfront cost, it would allow the Organization to permanently reinvest USD 17.4 million in the technical programmes (see table 3).

8) While the total costs related to organizational restructuring and revised programme planning (table 3) are relatively small (USD 4.1 million investment and USD 4.6 million recurring costs), the changes underlying these items are very large. For example, the headquarters' structure changes will result in a significantly streamlined and downsized management structure with the related savings reinvested in the technical programmes (USD 17.4 million). The planning changes will allow for improved resource mobilization and provide a basis for more effective programme evaluation. The TCP programme changes, once fully implemented, will result in efficiency savings (USD 0.9 million per biennium).

Annex Table 3

Organizational Restructuring and Revised Programme Planning		
	Total Investment	Biennial Recurrent
	in USD millions	
Programme and Planning Changes	2.0	0.6
Reform of planning model and resource mobilization	1.3	1.5
TCP Programme changes	0.7	(0.9)
Decentralized structure	1.6	4.0
Deployment of decentralized support and appraisal systems	1.6	4.0
Reorganize and reinvest in country offices, following review (net impact zero)		
Headquarters structure	0.5	0.0
Delaying		(17.4)
Reinvestment in technical areas	0.5	17.4
Total Org Restructuring and Programme Planning	4.1	4.6

9) The items in Table 4 related to the reform of administration, management and culture entail relatively large investment costs (USD 7.2 million), but are expected to result in significant improvements in the ways of working.

Annex Table 4

Reform of Administration, Management and Culture		
	Total Investment	Biennial Recurrent
	in USD millions	
Culture Change	1.5	0.0
Root and Branch Review	2.4	0.0
Enterprise Risk Management	2.4	0.0
Ethics Office	0.2	0.8
Other (partnerships and mirror websites)	0.7	0.4
Total	7.2	1.2

10) Finally, Table 5 shows the estimated costs of Governing Bodies and Management in supporting the Implementation follow-up.

Annex Table 5

Implementation Follow-up		
	Total Investment	Biennial Recurrent
	in USD millions	
Governing Body	1.6	0.0
FAO Managerial Arrangements	2.0	0.0
Total	3.6	0.0

III: Root and Branch Review Initiatives

11) The costs and savings presented by the consultants, Ernst & Young in the Stage 1 Deliverable of the Root and Branch Review have been tentatively considered in preparing this document. It should be stressed that the figures provided by Ernst & Young are preliminary and tentative estimates which management has not had the opportunity to confirm in detail, and which will need to be verified in Stage 2 of the Review. In providing their figures, Ernst & Young took into consideration all items costed within the IPA to avoid any obvious double counting. Estimated savings identified in the Ernst & Young report are shown only in this section; no attempt was made to allocate the savings to individual actions in the IPA, although many synergies obviously exist.

12) Table 6 provides an overview of the cost and savings estimates stemming from the Root and Branch Review. Total investment and recurring costs are estimated at approximately USD 16.5 million (with USD 9.2 in investment costs and USD 7.3 million in biennial recurrent costs).

13) Ernst & Young estimate savings stemming from their main initiatives at USD 5 million to USD 7 million per year. These would be realized in a phased fashion over the next two biennia, shown here as resulting in USD 13 million savings by 2012-13. In addition, early savings (described by Ernst & Young as achievable by the Organization in six/twelve months following the relevant decisions) would be in the range of USD 3.0 million per biennium. They note that these figures enable an average return on investment through efficiency savings and productivity gains within 30 months.

Annex Table 6

Root and Branch Review					
Main Initiatives	Total Costs			Total Savings (efficiency & productivity)	
	Investment	Biennial Recurrent	Total	2010-11	2012-13
Overall Initiatives	4.7	0.8	5.5	(1.4)	(4.0)
Finance	0.0	0.0	0.0	0.0	(1.6)
Budgeting	0.3	0.5	0.8	(0.8)	(1.2)
Information Technology	0.0	6.0	6.0	0.0	(2.4)
Human Resources	1.0	0.0	1.0	(0.4)	(0.6)
Procurement	1.9	0.0	1.9	(1.0)	(2.2)
Administrative Services	1.3	0.0	1.3	(0.8)	(1.0)
<i>Total Investments and Savings</i>	<i>9.2</i>	<i>7.3</i>	<i>16.5</i>	<i>(4.4)</i>	<i>(13.0)</i>
Early Savings				(3.0)	(3.0)
Total Root and Branch Review	9.2	7.3	16.5	(7.4)	(16.0)

IV: Total Costs and Savings ¹¹

14) Table 7 presents a summary of all costs and savings shown in tables 1 through 6. The IPA figures now show the savings separately from the costs (savings are USD 17.4 million for delayering and USD 0.9 million for TCP programme changes). Total investments required over the next three years are estimated to be in the range of USD 42.7 million. The changes implemented would result in USD 61.3 million in recurrent costs which are offset by savings of USD 34.3 million, after some phasing in. The final result would be a growth budget of USD 27 million. These figures compare to total investment costs (average) of USD 69 million in the IEE and a growth budget of USD 22.5 million.

Annex Table 7

Overall Investment Costs, Recurrent Costs and Recurrent Savings (in USD millions)						
Main Initiatives	Investments Total	Recurrent costs Biennial	Recurrent Savings		Net Recurrent Costs and Savings	
			2010-11	2012-13	2010-11	2012-13
Immediate Plan of Action						
Governance Reform	1.3	9.2	0.0	0.0	9.2	9.2
Systems, Prog, Culture, Org Restr.	28.6	44.8	(18.3)	(18.3)	26.5	26.5
Implementation Follow-up	3.6	0.0	0.0	0.0	0.0	0.0
<i>Total Immediate Plan of Action</i>	<i>33.5</i>	<i>54.0</i>	<i>(18.3)</i>	<i>(18.3)</i>	<i>35.7</i>	<i>35.7</i>
Root and Branch Review						
Main Initiatives	9.2	7.3	(4.4)	(13.0)	2.9	(5.7)
Early Savings			(3.0)	(3.0)	(3.0)	(3.0)
<i>Total Root and Branch Review</i>	<i>9.2</i>	<i>7.3</i>	<i>(7.4)</i>	<i>(16.0)</i>	<i>(0.1)</i>	<i>(8.7)</i>
Grand Total	42.7	61.3	(25.7)	(34.3)	35.6	27.0
IEE figures (for comparison purposes)	69.0	93.5		(71.0)		22.5

¹¹ In line with the approach of the Root & Branch Review 'savings' comprise efficiency savings and productivity gains.

V: 2009 Requirements and Funding

15) Of the total estimated investment costs of USD 42.6 million, USD 17.6 million would be required in 2009. Recurrent costs are expected to reach USD 8.1 million in 2009, bringing total 2009 requirements to USD 25.7 million (see table 8).

Annex Table 8

2009 Investment and Recurrent Costs			
	Investment	Recurrent	Total
	in USD millions		
Governance Reform	0.1	1.4	1.5
Council and Conference translation of verbatim records		1.1	1.1
Other Governance Reform	0.1	0.3	0.4
Human Resources Policies and Practices	3.1	2.1	5.2
Recruitment policies	0.2	0.2	0.4
Staff development programmes	1.7	0.9	2.6
Staff appraisal system	0.7	0.0	0.7
HR Management Information system	0.5	0.0	0.5
Rationalise use of retirees	0.0	1.0	1.0
Reform of Administration, Management and Culture	5.0	0.6	5.6
Culture Change	1.5	0.0	1.5
Root and Branch Review	2.4	0.0	2.4
Enterprise Risk Management	0.6	0.0	0.6
Ethics Office	0.2	0.4	0.6
Partnerships	0.3	0.2	0.5
Programme and Planning Changes	1.6	0.0	1.6
Reform of planning model and resource mobilization	1.1	0.0	1.1
TCP Programme changes	0.5	0.0	0.5
Decentralized structure	0.7	1.0	1.7
Deployment of decentralized support and appraisal systems	0.7	1.0	1.7
Reorganize and reinvest in country offices, following review (net impact zero)			0.0
Headquarters structure	0.0	0.0	0.0
Delaying and reinvestment preparatory work	0.0	0.0	0.0
Implementation Follow-up	2.6	0.0	2.6
Governing Body arrangements	1.6	0.0	1.6
FAO Managerial arrangements	1.0	0.0	1.0
Sub-total Immediate Action Plan	13.1	5.1	18.2
Root and Branch Review initiatives	4.5	3.0	7.5
Grand Total 2009	17.6	8.1	25.7

16) Table 9 shows the identified sources of funding totalling USD 3.9 million which could cover part of the 2009 requirements. The current request for voluntary contributions for the remaining 2009 requirements would therefore be in the range of USD 21.8 million.

Annex Table 9

2009 Costs and Funding			
Costs and Funding Modalities of the Immediate Plan of Action (FC 123/18), 9 Oct 2008			
	Investment	Recurrent	Total
	in USD millions		
Immediate Plan of Action Items			
Governance Reform	0.1	1.4	1.5
Human Resources Policies and Practices	3.1	2.1	5.2
Reform of Administration, Management and Culture	5.0	0.6	5.6
Programme and Planning Changes	1.6	0.0	1.6
Decentralized structure	0.7	1.0	1.7
Headquarters structure	0.0	0.0	0.0
Systems, Prog, Culture and Org Restructuring	10.4	3.7	14.1
Implementation Follow-up	2.6	0.0	2.6
Total Immediate Action Plan	13.1	5.1	18.2
Sources of Funding (<i>early savings, Spanish Funds, IEE follow-up funding</i>)	(2.9)	(1.0)	(3.9)
IPA - 2009 request for voluntary contributions	10.2	4.1	14.3
Root and Branch Review initiatives			
R&B Review - 2009 request for voluntary contrib.	4.5	3.0	7.5
Total 2009 request for voluntary contributions	14.7	7.1	21.8

ii) Implementation Schedule

		Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011													
Ref. N.	Task Name	2009				2010				2011					
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Priorities and Programmes of the Organization														
1.1	Decide the application of the new Results-Based Framework														
1.2	Decide Vision and Global Goals														
1.3	Decide in principle Strategic Objectives, Functional Objectives and Core Functions														
1.4	Adopt in principle the format for the presentation of Strategic Objectives and Organizational Results														
1.5	Develop Impact Focus Areas														
1.6	Develop results based monitoring system														
1.7	Develop the complete Strategic Framework, Medium Term Plan and Programme of Work and Budget														
1.8	First report on organizational performance based on new results-based system for 2010-11 biennium (in 2012)														
	Governance Reform														
	Governance Priorities														
2.1	Systematically review global situation for greater policy coherence and study regulatory frameworks														
2.2	Take into consideration policy issues and instruments relating to food and agriculture being developed in other fora than FAO and provide recommendations														
	The Conference														
2.5	Each session of the Conference will usually have one major theme agreed by the Conference														
2.6	Conference will give more attention to global policy issues in international frameworks														
2.7	Conference will meet in June of the second year of the biennium														
2.8	Conference will approve Priorities, Strategy and Budget on the basis of a Council recommendation														
2.9	The Conference reports will concentrate on conclusions and decisions														
2.10	Formal plenary meetings will become more focused														
2.11	Side events will provide a forum for informal interchange														
2.12	Changes introduced, including ways of working and reporting lines														
2.13	Basic Text changes for functions														
	The Council														
2.14	Council functions will be clarified														
2.18	The Council shall make a clear recommendation to Conference on the Programme and Budget Resolution														
2.19	The Council will meet more flexibly and for variable lengths of session as appropriate to the agenda														
2.22	The Council Report will consist of conclusions, decisions and recommendations														
2.23	The Council will no longer discuss global policy and regulatory issues														
2.24	Changes of practice, including ways of working and reporting lines will be introduced for the Council														
2.25	Introduce Basic text changes for functions, reporting lines														
	Independent Chairperson of the Council														
2.26	Revise Basic Texts to specify his/her proactive facilitation role for the Governance of FAO														
	Programme and Finance Committees														
2.35	Clarifications of functions and ways of working will be introduced immediately in practice														
2.36	<i>Programme Committee functions will emphasise programme priorities, strategy, budget and evaluation</i>														
2.37	<i>Finance Committee will cover all aspects of administration, services and human resources as well as finance</i>														

Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011		2009				2010				2011					
Ref. N.	Task Name	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2.38	<i>The Committees will meet more flexibly and for variable lengths of session as appropriate to the agenda</i>			■											
2.39	<i>The two Committees will hold more joint meetings</i>			■											
2.40	<i>They will be required to make clear recommendations and give more attention to policies, strategies and priorities</i>			■											
2.41	<i>The Finance Committee will agree and adopt criteria for WFP documentation to review</i>			■											
2.42	Introduce changes in practice, including ways of working			■											
2.43	Introduce Basic text changes for functions of the committees						■								
2.44	Programme and Finance Committees Membership, chairs and observers			■	■	■	■	■	■	■	■				
2.45	<i>Chairs will be elected by the Council on the basis of their individual qualifications</i>						■								
2.46	<i>Membership of the Committees will each be increased</i>						■								
2.47	<i>Committees, including joint meetings will be open to non-speaking observers</i>			■											
	Committee on Constitutional and Legal Matters (CCLM)			■	■	■	■	■	■	■	■				
2.48	Changes will be introduced to the basic text, including election of members			■											
2.49	Chair selected amongst CCLM members by Council						■								
2.50	Seven members, nominated by each region, confirmed by Council						■								
2.51	The CCLM will be open to non-speaking observers			■											
	Regional Conferences - Changes in lines of reporting, functions and ways of working	■	■	■	■	■	■	■	■	■	■				
2.52	Introduce changes in practice prior to Basic Text changes	■													
2.55	Introduce Basic text changes for status, functions and reporting lines						■								
	Technical Committees			■	■	■	■	■	■	■	■				
2.56	The Committees will begin reporting to Conference on global policy issues and to the Council on FAO's budget, and the priorities and strategies			■											
2.65	Introduce Basic Text changes for functions, reporting lines, etc.						■								
	Ministerial meetings						■	■	■	■	■				
2.66	Basic Text change to specify that the Conference or Council may call a Ministerial meeting						■								
2.67	Ministerial meeting reports normally considered directly by Conference						■								
	Statutory Bodies, Conventions, Treaties, Codex, etc.			■	■	■	■	■	■	■	■				
2.68	Conferences of parties to treaties, conventions and agreements such as Codex and the IPPC may bring issues to the Governing Bodies through relevant Technical Committee			■											
2.69	Undertake a review to enable statutory bodies to exercise financial and administrative authority and mobilize additional funding						■	■	■	■	■	■	■	■	■
	Further Actions to Improve the Effectiveness of FAO Governance			■	■	■	■	■	■	■	■	■	■	■	■
2.71	The Council and all other Governing Bodies will prepare a multiyear programme of work of at least four years duration			■	■	■	■	■	■	■	■	■	■	■	■
2.73	Define term Governing Bodies, preferably in Basic Texts						■								
2.74	Conference will assess the workings of the governance reform*			■										■	
2.75	Director-General will report to and dialogue with the Council and the Joint Meeting of the Programme and Finance Committees			■											
2.76	Revision of the basic text for all governing bodies			■	■	■	■	■	■	■	■				
	Evaluation, Audit and Organizational Learning			■	■	■	■	■	■	■	■				
2.77	Establishment of evaluation as a separate office			■											
2.78	Increase of Evaluation Regular Programme budget							■							
2.79	Evaluation Director and staff appointments procedures		■												

Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011															
Ref. N.	Task Name	2009				2010				2011					
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2.81 & 2.82	Quality assurance and continued strengthening of the evaluation function														
2.84	Approval by the Council of a comprehensive evaluation policy incorporated in a "Charter"														
2.90	The provisions for evaluation as approved in the Charter reflected in the Basic Texts														
2.91	Extend work of the Inspector-General's office to major organizational risk areas														
2.92	The Audit Committee will have a membership which is fully external agreed by the Council on the recommendation of the Finance Committee														
2.93	The Audit Committee will present an annual report to the Council through the Finance Committee														
2.94	The External Auditor will assume responsibility for audit of the immediate office of the Director-General														
	Appointment and Term of Office of the Director-General														
2.95	Introduce procedure and Basic Text changes to strengthen opportunity for the FAO Membership to appraise candidates														
2.100	Develop desirable qualifications for the post of Director-General that Conference will consider for approval														
2.101	Change Basic Texts for period of office of the Director-General to four years with possibility of renewal for one further period of four years														
	Reform of Systems, Programming & Budgeting, Culture Change and Organizational Restructuring														
	Reform of Programming, Budgeting and Results Based Monitoring														
3.1	Introduction of revised Programme and Budget documentation														
3.6	Introduction of a Revised Implementation Performance RBM monitoring system <i>Monitoring System</i>														
	<i>First report on organizational performance for 2010-11 biennium to the Governing Bodies (in 2012)</i>														
3.7	Introduction of a revised cycle of preparation and governing body decision making <i>Council to meet 2 months before the Conference</i> <i>New Governing Body Cycle of meetings</i>														
3.10	Introduce necessary Basic text changes for Programme and Budget cycle including the timing of Governing Body sessions														
3.11	Introduce provisions for roll-over of up to five percent of the assessed budget, between biennia														
	Resource Mobilization and Management Strategy														
3.12	Integrate into the programming and budgeting process extra-budgetary resources, including the definition of Impact Focus Areas <i>First review by the Council of the plans for, the application and results of extra-budgetary resources</i> <i>Put in place a management structure for extra-budgetary resources and assessed contributions</i>														
3.17	Carry out review of treaties conventions, agreements and similar bodies and instruments established under articles VI, XIV and XV of the FAO constitution and present report to Council and to the parties to the agreement														
3.18	Introduce measures to encourage timely payment and the avoidance of arrears and management of resource availability <i>First annual review by the Council on the basis of a report from the Finance Committee of the situation of late payments and arrears</i> <i>Begin prominent reporting on the main FAO public website of the situations of timely payments</i>														
3.19															
3.20															
	Technical Cooperation Programme														
3.22	TCP resources to be allocated to regions under the authority of Regional Representatives														
3.24	Review of TCP project cycle and approval guidelines														
	Institutional Culture Change														
3.30	Appointment of External Facilitator and change team														
3.31	Development of Internal vision														

Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011		2009		2010				2011							
Ref. N.	Task Name	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
3.32	Start of implementation of the vision														
	Ethics														
3.33	Appointment of an Ethics Officer, functioning of the office, and training of staff														
3.34	Review of Terms of Reference and proposed membership of Ethics Committee by the CCLM and the Finance Committee														
3.35	Appointment and initiation of work by Ethics Committee														
3.36	Review of annual or biennial report of Ethics Committee														
	Reform of Administrative and Management Systems														
	Management Early Actions - Introduction of:														
3.37	<i>Delegations of authority from the Office of the Director-General for human resource actions</i>														
3.38	<i>Delegation of authority for procurement, authority for Letters of Agreement to divisional level and in the decentralised offices</i>														
3.39	<i>Streamlining of travel procedures</i>														
3.40	<i>Local procurement for emergencies</i>														
3.41	<i>Opening of temporary operational cash accounts in the field</i>														
3.42	<i>Development and deployment of a field version of oracle adapted to FAORs' needs</i>														
3.43	<i>Basic Text Change to facilitate delegation of authority</i>														
	Follow-up to the Root and Branch Review														
3.44	<i>Conduct of Root and Branch Review</i>														
3.45	<i>Review by management, Council and Finance Committee of the Final Report</i>														
3.46	<i>Development of follow-up action plan</i>														
3.47	<i>Review by Governing Bodies of the Follow-up Action Plan</i>														
3.48	<i>Implementation of action plan</i>														
	Enterprise Risk Management Framework														
3.49	<i>Agreement by Finance Committee on Terms of Reference for a comprehensive enterprise risk management study</i>														
3.50	<i>Issue of external contract for the study</i>														
3.51	<i>Review by management, Council and Finance Committee of the Final Report</i>														
3.52	<i>Development of follow-up action plan</i>														
3.53	<i>Review by Council and Finance Committee of the Follow-up action plan</i>														
3.54	<i>Full Implementation of Enterprise Risk Management Structure and systems</i>														
	Publishing in all Languages of the Organization														
3.55	A budget set aside for technical publishing in each FAO language														
3.56	Increased hard copies technical documentation to least developed countries														
3.57	Establish separate mirror websites to the FAO website for Arabic and Chinese														
3.58	Ensure quality and timely translation if possible at reduced costs														
	Human Resource Policies and Practices														
3.59	Staff and consultant selection on basis of merit with effective geographical and gender representation														
3.60	Introduce a package for increasing staff training, including in management														
3.61	Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria														

Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011															
Ref. N.	Task Name	2009				2010				2011					
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
3.62	Establish a joined-up and consistent system for the recruitment and development of young professionals														
3.63	Further decentralise and delegate decision making														
3.64	Initiate wider publication of FAO vacancies														
3.65	Develop, publish and implement procedures for full transparency in the selection and recruitment of all senior staff and FAORs														
3.66	Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs														
3.67	Introduce transparency and competitive policies for recruitment of consultants														
3.68	Rationalise the use of FAO retirees.														
3.69	Consultants including FAO retirees will not be used for long-term gap filling in vacant posts as a cost saving measure														
3.70	Introduce an objective staff appraisal system in phased manner across whole organization														
3.71	Introduce dual grading for P5/D1 and D1/D2 posts														
3.72	Upgrade the Oracle systems to i) improve ease of data extraction and analysis and ii) to support substantive staff management														
3.73	Establish a staff redeployment fund initially with extra-budgetary resources and subsequently replenished as a proportion of staff costs														
3.74	Enhance governance oversight of human resource policies through the Finance Committee (continuing)														
3.75	Governing Body action and action by management to secure changes at the UN Common System level														
	<i>Develop proposals for Common System change</i>														
	<i>Present changes to UN</i>														
	Decentralization														
3.76	Program and Finance Committees will support council in providing policy oversight														
3.77	Organize Senior Management Meetings so that ADG/Regional Representatives can be present via video link														
3.78	Transfer the primary reporting line for technical officers in the regional offices to the Regional Representatives														
3.79	Start full involvement of ADG/Regional Representatives in programming and budgeting														
3.80	Transfer Budget and Programme responsibility of technical officers in the regional offices to the Regional Representatives (ADGs)														
3.81	Transfer primary responsibility for all aspects of supervising FAORs to the Regional Representatives (ADGs)														
3.82	Revise all delegated authorities to decentralized offices and control procedures														
3.83	Discontinue administrative responsibilities with sub-regional offices														
3.84	Rationalise coverage of country offices utilising agreed criteria														
	<i>undertake review</i>														
	<i>undertake rationalisation</i>														
3.85	Adjust composition of sub-regional and regional office staffing in line with priority needs														
	<i>redefine composition</i>														
	<i>introduce changes</i>														
3.86	Clarify country coverage of Near East Regional Office														
3.87	Introduce redefined job descriptions, profile of competencies (including policy competence), recruitment and performance appraisal procedures														
3.88	Introduce benchmarks and a performance-based reporting and monitoring system for decentralized offices														
3.89	Strengthen staff training														
3.90	Deploy support systems														
	Headquarters Structure														

Schedule for Implementation of FAO Immediate Plan of Action 2008 - 2011		2009				2010				2011					
Ref. N.	Task Name	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
3.91, 3.92 & 3.93	Establish offices of Strategy, Planning and Resource Management, Evaluation and unit responsible for ethics in Legal office			█											
3.94	Examine most appropriate organizational functions and structure for corporate communications, partnership & interagency affairs			█	█										
3.95	Transfer OCD functions to Regional/sub-regional Offices and to a coordination unit in the office responsible for operations							█	█						
3.96	Delaying of D level posts							█	█	█	█	█	█	█	█
3.98	Complete functional analysis of the work of the Headquarters Departments and finalise plans for their reorganization			█	█										
3.99	Conference approval of revised Headquarters structure in the PWB 2010-11							█	█						
3.100	Appoint Senior Executive Management including two DDGs							█	█						
3.101	Introduce new Headquarters Organizational structure							█	█	█	█	█	█	█	█
3.102	Reorganize senior management responsibilities, including for strategic objectives and core functions			█	█	█	█	█	█	█	█	█	█	█	█
3.103	Review reorganization with a view to further improvements (in 2012)														
	Partnership														
3.104	Finalise guiding corporate principles on partnerships		█	█											
3.109	Stocktaking of partnerships			█	█										
3.110	Preparation of a short-term agenda of initiatives			█	█										
3.111	Further pursue partnership with the Rome based UN agencies			█	█	█	█	█	█	█	█	█	█	█	█
3.116	Progress and proposals reviewed by Council on recommendations of Programme and Finance Committees							█	█						
3.117	Establishment of a monitoring mechanism to ensure feedback and iterative improvement of collaboration and of the FAO partnership strategy							█	█						
3.118	Establishment of focal point responsibilities for partnerships									█	█				
	Follow-up Arrangements for the Implementation of the Immediate Plan of Action														
	Governing Body Follow-up														
4.1	Oversight and Follow-up by Governing Bodies							█	█	█	█	█	█	█	█
4.2	Conference committee established for implementation of the Immediate Plan of Action, to recommend:							█	█						
4.3	<i>New Strategic Framework, Medium-Term Plan and Programme of Work</i>							█	█						
4.4	<i>Any desirable changes in size and regional representation of the membership of the Council and necessary changes in Basic Texts</i>							█	█						
4.5	<i>Further reforms of systems, culture change and organizational restructuring</i>							█	█						
4.6	<i>Revision of the Basic Texts of FAO</i>							█	█						
	Managerial Arrangements for IEE Follow-up Implementation														
4.7	Establish internal managerial groups							█	█						
4.8	<i>Establish a reform support group</i>							█	█						
4.9	<i>Establish specialist working groups</i>							█	█						
	Funding 2009 Implementation Follow-up														
4.10	Establish Trust Fund and cost of 2009 implementation							█	█						
4.11	Contribute to trust fund							█	█	█	█	█	█	█	█

ANNEXES TO THE REPORT OF THE CONFERENCE COMMITTEE

Annex 1: Elements of the Strategic Framework and Medium Term Plan (FAO Management Paper)

CONTENTS

- I. *FAO's Vision and Global Goals*
- II. *New results-based programming framework*
- III. *Strategic Objectives and Organizational Results*
- IV. *Functional Objectives and Organizational Results*
- V. *Impact Focus Areas*

I. FAO's Vision and Global Goals

1. **FAO's vision** is of a world free of hunger and malnutrition where food and agriculture¹² contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner. To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of three **Global Goals**:

- a) 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;
- b) elimination of poverty and the driving forward of economic and social progress for all with increased food production, enhanced rural development and sustainable livelihoods;
- c) sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.

II. New results-based programming framework

Principles

2. A more robust results-based approach to programme planning and implementation in FAO will be underpinned by a hierarchy where:

- i) **Global Goals** represent the fundamental development impacts, in the areas of FAO's mandate, which the member countries aim to achieve;
- ii) **Strategic Objectives** contribute to the achievement of the Global Goals;
- iii) **Organizational Results** define the outcome of FAO's work under each Strategic Objective; and
- iv) **Core Functions** represent the critical means of action to be employed by FAO to achieve results, drawing on the Organization's mandate and comparative advantages.

3. The **Strategic Objectives** (SOs) 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 (see Section III).

4. The more specific **Organizational Results** (ORs) represent the outcomes expected to be achieved over a four-year period through the taking up and use by member countries and partners of

¹² Agriculture encompasses all aspects of crops, livestock, forestry and fisheries.

FAO's products and services, as measured by **Indicators**. The Results formulated on this basis will constitute the backbone of FAO's four-year Medium Term Plan and biennial Programme of Work and Budget, and will exemplify the substantive priorities upheld by the membership (see Section III).

5. A set of **Core Functions** provide the means of action and the important modalities to achieve results that draw on FAO's comparative advantages and are to be applied at all levels: global, regional and national. The core functions require articulated strategies to ensure coherent approaches, cooperation among organizational units, mutual learning and the pursuit of excellence. The main core functions are set forth in *Figure 1*.

Figure 1: 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: <ul style="list-style-type: none"> • promote technology transfer; • catalyse change; and • build capacity, particularly for rural institutions;
f.	Undertaking advocacy and communication , to mobilize 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.

6. To ensure that all aspects of FAO's work are established in a results-based framework, two **Functional Objectives** will assist the Organization to continuously improve not only the relevance and impact of its technical delivery but also its efficiency and contribution to the achievement of Strategic Objectives (see Section IV).

7. Mobilisation and application of the voluntary contributions will be guided by this framework at all levels – national, subregional, regional and global.

Impact Focus Areas

8. For the results-based approach to have the greatest impact, voluntary contributions need to focus on the achievement of results as defined in the Medium Term Plan. At the national level, resource mobilization is primarily guided by country development priorities contributing to results as identified in National Medium Term Priority Frameworks. More globally, **Impact Focus Areas** (IFA) contribute to Strategic Objectives and provide a focus within or across them. IFAs serve to mobilise resources for priority groups of results, acting as "flagships", and providing a communication and advocacy tool to better attract voluntary extra-budgetary funding and partnerships to supplement assessed contributions (see Section V). They will: progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions; primarily address issues of priority to developing countries with emphasis on capacity building and getting policy

frameworks right; and, facilitate Governing Body oversight of the use of extra-budgetary resources in line with agreed priorities.

Management responsibilities for strategic objectives

9. The results-based framework implies clear assignment of responsibility and accountability for achievements throughout the cycle of preparation, implementation and assessment. Overall responsibility for each Objective will be assigned to an Assistant Director-General. Similarly, following the outcome of the Root and Branch review on the organization's business model and further definition of functions within Departments, each Organizational Result will be assigned a lead senior manager, who would be accountable for monitoring and reporting progress against the indicators. Senior managers will also be assigned responsibility to ensure that the applicable strategies are followed for the Core Functions across the Objectives. The Deputy Director(s)-General will be responsible for the resources, mechanisms and performance incentives that will support inter-disciplinary and cross-departmental work.

Documentation

10. The Programme of Work will be presented in an integrated suite of planning documentation, providing a complete picture of the results framework, as follows:

- **Strategic Framework** with a 10-15 year time horizon reviewed every four years and including analysis of the challenges facing food, agriculture and rural development; overall Vision and the Goals of Member Nations; and Strategic Objectives;
- **Medium Term Plan** with a 4-year time horizon, but reviewed and adjusted each biennium, presenting: Strategic and Functional Objectives; the Organizational Results (outcomes) framework with achievement targets and indicators for verification and setting out FAO's contribution; the overall budget, showing for each Strategic Objective the breakdown from assessed contributions and estimated extrabudgetary resources; Impact Focus Areas indicating outcome from the direction of extra-budgetary resources to grouped results; and Core Functions and how they are applied across results.
- **Programme of Work and Budget** covering a single biennium, providing an administrative budget and a programme budget with Organizational Results (outcomes) as per the Medium Term Plan, including the organizational responsibility for each Result; quantification of biennial costs for all Organizational Results and all obligations; calculation of cost increase and efficiency savings; provision for long-term liabilities, under-funded obligations and reserve funds; and a draft Budgetary Appropriation resolution.

Overview of main components

11. The following *Figure 2* provides an overview of the main conceptual building blocks of the enhanced results-based approach to programming in FAO. The Strategic Objectives, as presently identified, provide for needed visibility and focus, while further refinement to improve coherence and interdisciplinarity and clarify linkages to the Global Goals will be pursued as the Strategic Framework and Medium Term Plan are finalized in 2009.

Figure 2: Overview of main components

<p>FAO's vision is of 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.</p>	
<p>To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of three global goals:</p> <ol style="list-style-type: none"> 1. 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; 2. elimination of poverty and the driving forward of economic and social progress for all with increased food production, enhanced rural development and sustainable livelihoods; 3. sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations. 	
<p style="text-align: center;">Strategic Objectives</p> <ol style="list-style-type: none"> 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. 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. 	<p style="text-align: center;">Core functions</p> <ol style="list-style-type: none"> 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 legislative options and advice. e. Technical support to promote technology transfer and build capacity. f. Advocacy and communication. g. Interdisciplinarity and innovation. h. Partnerships and alliances. <p style="text-align: center;">Functional Objectives</p> <ol style="list-style-type: none"> X. Effective collaboration with Member States and stakeholders. Y. Efficient and effective administration.

III. Strategic Objectives and Organizational Results

12. The full formulation of the results-based framework requires:
- Elaboration of the issues and challenges to be addressed
 - Identification of assumptions and risks
 - Specification of the outcome to be achieved for the Organizational Results, and how FAO will intervene (primary tools) in order to achieve this outcome
 - Elaboration of Targets and Indicators of achievement of the Organizational Results
 - Specification of application of Core Functions at the results level.
13. For each of the Strategic Objectives, the present elements of the SF and MTP contain a summary of this information. A total of 49 Organizational Results is proposed. The identification of measurable and fully representative targets and indicators for results is a particularly complex exercise which remains an ongoing task throughout the Organization. A full set of indicators at the level of results is developed and presented in provisional results matrices for Strategic Objectives A, F and K.
14. Further work on Organizational Results will include: a rigorous log-frame analysis, including identification of specific indicators, targets and means of verification; further refinement and specification of which core functions are to be applied; integration of cross-cutting work where appropriate; and elaboration of contributions by collaborating units.

Strategic Objective A – Sustainable intensification of crop production

Issues and Challenges

15. To meet the foreseen growing demands for food and livestock feed, global crop production will need to double by the year 2050. With trends in population growth, urbanization and consumption of more livestock products, world prices for crop commodities may rise even further if supply does not keep pace. Supply can also be affected by factors such as: shifts in production (e.g. into biofuels), costs of key inputs (energy and fertilizers) and crop failures due to adverse climate events, as well as outbreaks of pests and diseases. Depending on national contexts, a major challenge is to produce needed quantities and a variety of food, feed and fiber, addressing the requirements of, and offering opportunities to resource-poor farmers and consumers, while maintaining the natural resource base. Production intensification should be sustainable to ensure long-term prospects. Three key dimensions need to be addressed in this effort: a) agricultural technologies (e.g. access to locally-adapted, high-yielding, stress-tolerant varieties with acceptable quality characteristics; efficient plant breeding and seed production systems; availability of specialized inputs, and more generally "know-how"); b) ecosystem services especially for production (such as agrobiodiversity, pollination, water conservation, soil health and pest management); and c) livelihoods so that the benefits of increased productivity can be fully realized, including good post-harvest and marketing practices.

Assumptions and Risks

- principles of sustainable intensification of crop production will be practical, applicable, and delivered credibly;
- political events in some vulnerable countries may seriously hamper the transfer and uptake of innovations;
- assumption that any further rise in costs of inputs (seed, fertilizer, fuel) would be in line with farm gate prices, while the cost/availability of water does not become a major constraint to intensification;

- research and other institutions continue to develop and deliver improved technologies, so that agricultural practices ensure needed aggregate annual yield increases of more than 2%.

Organizational Results

Organizational Results	Indicators
<p>A1 - National and regional capacities are strengthened to make more effective and strategic decisions in order to increase crop production.</p> <p><i>Primary tools:</i></p> <ul style="list-style-type: none"> • design and support policies and programmes to improve crop productivity and sustainability in ways that enhance food security and facilitate access to knowledge, technologies and appropriate inputs • develop strategies for crop diversification, including production of horticultural crops • design and promote tools and share information to assess and manage ecosystem functions, services and benefits from crop agricultural landscapes and rangelands including under variability such as due to climate change • support to the design and implementation of the crop production components of the NPFS/RPFS. 	<p>A1.1 – Higher yields are achieved through the distribution and deployment of locally adapted improved seeds and efforts are made in at least 10 national programmes to increase soil fertility including where appropriate through conservation agriculture.</p> <p>A1.2 – At least 10 additional countries have included IPM in crop production strategies as reflected in national agricultural budgeting and planning.</p> <p>A1.3 – Multiple cropping, crop rotation and mixed cropping techniques are used in at least 10 national programmes to optimize seasonality and diversification possibilities to increase production in sustainable ways.</p> <p>A1.4 – Diversification across and within species is achieved in at least 10 national programmes using locally adapted techniques to increase production and opportunities to generate income while reducing risk.</p> <p>A1.5 – Guidance on sustainable intensification of crop production based ecosystem principles, plus ways to test guidance, is developed and disseminated via FAO field offices.</p> <p>A1.6 – At least 5 additional countries enhance the benefits of ecosystem services from pollinators, such as by reducing pesticide spraying and planting companion crops, in order to encourage diversification into high value crops.</p> <p>A1.7 – At least 18 additional NPFS and 6 additional RPFS with strong crop production components under implementation.</p>

Organizational Results	Indicators
<p>A2 - Risks from outbreaks of plant pests and diseases are sustainably reduced at national, regional and global levels.</p> <p><i>Primary tools:</i></p> <ul style="list-style-type: none"> • provide a neutral forum, facilitate information exchange and build capacity to support implementation of the IPPC, including as a key element of the global system of governance for trade • facilitate collaboration on contingency planning and early warning for transboundary pests and diseases especially through EMPRES. 	<p>A2.1 - At least 12 new ISPMs are adopted by the Commission on Phytosanitary Measures.</p> <p>A2.2 – Ten new countries have used Phytosanitary Capacity Evaluation (PCE) to diagnose problems, state priorities and mobilize resources.</p> <p>A2.3 – FAO-facilitated national contingency planning is conducted in at least 15 additional countries for specific pest and disease threats other than desert locust.</p> <p>A2.4 – The current desert locust reporting system is extended to at least one additional transboundary pest.</p>
<p>A3 - Risks from pesticides are sustainably reduced at national, regional and global levels.</p> <p><i>Primary tools:</i></p> <ul style="list-style-type: none"> • promote regional and global collaboration, including under the Rotterdam Convention, the Code of Conduct on Distribution and Use of Pesticides, and the JMPR • support improvement of national regulatory frameworks to reduce pesticide risks • support programmes including Farmer Field Schools (FFS) based on integrated pest management (IPM) technologies. 	<p>A3.1 Four new chemicals are included in the Rotterdam Convention and/or the Joint Meeting on Pesticide Residues (JMPR).</p> <p>A3.2 At least one highly hazardous pesticide is banned with reference to the Code of Conduct on Distribution and Use of Pesticides, and/or the Rotterdam Convention and/or JMPR.</p> <p>A3.3 – At least 10 new areas (national or subnational) include IPM in the curricula of the FFS to reduce pest and/or pesticide risks.</p>
<p>A4 - National policies and strategies on conservation, diversity, and sustainability are applied to manage plant genetic resources for food and agriculture (PGRFA) and to strengthen seed systems.</p> <p><i>Primary tools:</i></p> <ul style="list-style-type: none"> • strengthen linkages between conservation and sustainable use of PGRFA, including in the context of the Global Plan of Action and the International Treaty on PGRFA • support and develop programmes and frameworks to enhance conservation of PGRFA on-farm and promote diversity in agro-ecosystems • support the sustainable use of PGRFA, including through capacity building on seed systems including improved technologies • policy advice, advocacy and development of programmes to strengthen linkages between the formal and the informal seed sectors including through community-based seed production. 	<p>A4.1 At least 10 countries develop and apply national projects, programmes and strategies on the conservation and sustainable use of PGRFA, including for the implementation of the GPA and the IT-PGRFA.</p> <p>A4.2 At least 5 national programmes design and implement, on a pilot basis, national strategies to support conservation of PGRFA on-farm and promote diversity in local agro-ecosystems and community-based seed sectors.</p> <p>A4.3 At least 10 additional countries strengthen their capacities to respond to intensification demands and emergencies by using FAO knowledge products and enhanced information tools on PGRFA and seeds systems including those related to WIEWS and the GPA.</p>

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 - Interdisciplinary approach	h - Partnerships, alliances
A1	X	X		X	X	X	X	X
A2	X	X	X	X	X	X	X	X
A3	X	X	X	X	X	X		X
A4	X	X	X	X	X	X		X

Strategic Objective B - Increased sustainable livestock production.

Issues and Challenges

16. Over the past three decades, there has been rapid expansion of production and consumption of animal products. The livestock sector currently provides 43% of global agricultural output in value terms. While traditional livestock systems contribute to the livelihoods of 70% of the world's rural poor, increasingly emerging 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. The "middle-ground", i.e. mid-size market-oriented family farms, while still growing in importance in many places, are gradually squeezed out of markets and are particularly vulnerable to animal disease shocks. The vigorous livestock sector growth and concomitant structural changes require comprehensive governance by the international community. Livestock occupy one fourth of the terrestrial surface of the earth in the form of grazing land and expansion of pasture is a major factor in deforestation in Latin America. The sector, which claims one third of global crop land for feed grain production contributes to, but is also affected by sustained grain price increases. As competition for land is growing, prices - not only of feed grain, but also of water, energy and labour - are increasing, and extensive pasture-based livestock production (26 percent of the ice-free global landmass) is being challenged by the vagaries of climate change and socio-economic pressures.

17. The global livestock sector is characterized by a pronounced dichotomy between: (i) livestock kept by large numbers of smallholders and pastoralists in support of livelihoods and food security, and (ii) commercial livestock production, supporting the global food supply system and providing employment to producers and others in associated processing, distribution, marketing and support services. Animal disease emergence and spread appear to be very closely linked with sector structure and changes in production environments.

Assumptions and Risks

- Risk that smallholders and pastoralists are marginalized and impoverished, leading to accelerated rural out-migration, unless effective technical, institutional and policy measures are taken for enhancing access of small producers to the expanding livestock product markets;
- increased animal densities in warm, moist and changing ecologies, increased mobility of people, much increased movements of animals and animal products, and the often inadequate public investments in services and institutions tend to contribute to the emergence of new, and to the re-emergence of known diseases;
- the expansion and use of pastures and the production of feed grain are associated with land degradation, habitat and biodiversity destruction, water depletion and with substantial greenhouse gas emissions (CO₂, methane, nitrous oxides);
- livestock are an important contributor to nutrient overloads and water pollution, particularly in areas of high animal densities;

- breeds of domesticated farm animal species are the core biological capital for livestock sector development; livestock output growth in the past century has concentrated on a very small number of breeds worldwide, a process associated with significant erosion of existing biological diversity.

Organizational Results

B1 - The livestock sector contributes to food security, the protection of livelihoods and rural economic development through:

- the design of technical, policy and institutional measures and the support to their implementation, and
- the support to PRSP/NPFS/RPFS preparation and implementation that focus on livestock production among resource-poor households.

B2 - Effective collaboration among countries is in place to manage animal diseases and animal related human health threats successfully through:

- support to improved early warning and knowledge of animal disease emergence and spread and to early response mechanisms at national, regional and international levels;
- promotion of regional and international coordination of disease control and management, with national animal health systems equipped with the necessary technical capacity and policy instruments;
- the Crisis Management Centre for the Food Chain becoming fully operational with its Animal Health component;
- design of national animal health and veterinary public health policies taking full account of socio-economic, cultural, structural and developmental dimensions.

B3 - The sustainable use of natural resources for increased livestock production is facilitated through:

- support to the implementation of the Global Plan of Action for Animal Genetic Resources at all levels;
- assistance in improving resource use efficiency of, and reducing the waste and greenhouse emissions from, the livestock sector through technological and policy instruments, as well as through supportive investment;
- support to intergovernmental undertakings and agreements addressing climate change, water resources and biodiversity.

B4 - National capacity for livestock sector development is built and sustained through:

- assistance in the use of best practices (technology, institutions, policy);
- advice on investments guided by multiple-objective needs assessments;
- advice on prevention and preparedness plans to guide emergency management (animal diseases and natural and man-made disasters where livestock is involved).

Application of Core Functions to Strategic Objective B

Org Result	a - Perspectives, trend monitoring, assessment	b - Information, knowledge, statistics	c - International instruments	d - Policy advice	e - Tech support, capacity building	f - Advocacy, communication	g - Interdisciplinary approach	h - Partnerships, alliances
B1	X	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

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

Issues and Challenges

18. Fish and fishery products will remain an important source of food and proteins, as well as income through production and trade. The fisheries and aquaculture sector will continue to play important roles in human nutrition, in the fight against hunger and poverty and more generally economic development. The demand for fish and fish products will continue to grow. There will be an imperious need for effective management and conservation of fisheries and aquaculture resources while ensuring conservation of aquatic biodiversity and the health and productivity of ecosystems supporting fishery resources and fisheries. It will be essential to ensure the sustainable use of the wild stocks that are exploited by capture fisheries, in the seas and oceans as well as in rivers and lakes. As these stocks are reaching their limits, aquaculture is expected to fill the gap in demand. Responsible and orderly development of aquaculture, on land and in the marine environment, will therefore be a complex challenge over the forthcoming decades. Another issue is the dichotomy, in relation to both capture fisheries and aquaculture, between a large-scale, industrial subsector and a small-scale subsector. The latter includes communities for which artisanal fishing or small-scale aquaculture represent a major contribution to food security and livelihoods. Integrated policies are necessary to address the specific needs of these two subsectors. Both for fisheries and aquaculture, there is a need for regulatory actions at global, regional and national levels, as well as for assistance, capacity building and for ensuring an integrated approach. Other important challenges are: the impact of climate change; rising fish prices, fuel dependency and consumption and production inputs costs; the emergence of animal diseases in aquaculture; the general deterioration of aquatic ecosystems, both in the marine environment and in inland waters.

Assumptions and Risks

- Countries are willing and have the capacity to improve governance and management in the fisheries and aquaculture sectors, through strengthened regulatory and institutional frameworks, both at the national and regional levels (e.g. regional fisheries management organizations (RFMOs) operating more efficiently). Failure to do so would lead to persistence of overfishing, overcapacity and IUU fishing;
- conflicts in relation to access to resources as well as to markets;
- these risks, inherent to the sector, can be aggravated by threats such as: impact of climate change, impacts from other sectors leading to e.g. pollution and the deterioration of aquatic environments and their ecosystems, both inland and in the seas and oceans, deficiencies in management of coastal and riparian areas as well as of land and water resources, the emergence of diseases affecting farmed fish, rapid increases in price of inputs such as fuel and animal feed.

Organizational Results

C1 – Member countries and other stakeholders have improved formulation of policies and standards that facilitate implementation of the Code of Conduct for responsible fisheries, other international instruments, as well as response to emerging issues, through:

- regular reporting on the status of implementation of the CCRF and related instruments;
- advice on establishing and integrating policy frameworks, balancing development objectives with conservation needs;
- providing a platform, such as COFI, for international debate, and strengthening contribution and participation in other international fora such as the UNGA, OECD, WTO, APEC, UNEP, CITES, CBD, IMO;
- developing new instruments, such as agreements, plans of action or technical guidelines;
- capacity building in policy formulation and international negotiation;
- production and utilization of timely and reliable information;
- strengthened collaboration with relevant partners.

C2 – Governance of fisheries and aquaculture is improved through the establishment or strengthening of national and regional institutions, including regional fishery bodies, through:

- advice and assistance on establishing new institutions and ways to support existing institutions;
- capacity-building on governance and management of institutions, including more effective and transparent decision-making;
- regular reporting on efforts to establish new institutions or to strengthen and improve existing institutions, including transparency in decision-making.

C3 – More effective management of marine and inland capture fisheries by Member Countries and other stakeholders has contributed to the improved state of fisheries resources, ecosystems and their sustainable use, through:

- technical advice and capacity building in fisheries assessment and management;
- support to active implementation of an ecosystem approach to fisheries, taking account of livelihood requirements in fishing communities;
- regular reporting on and assessing the state of fish stocks and ecosystems;
- facilitating and promoting international cooperation in fisheries management.

C4 – Member countries and other stakeholders have benefited from increased production of fish and fish products from sustainable aquaculture, through:

- promotion of sustainable aquaculture;
- global, regional and thematic reviews and assessments of the aquaculture sector;
- assistance in development of responsible aquaculture practices, including management of aquatic diseases;
- providing support for rural livelihoods, emphasizing integrated farming systems and ecosystem approach;
- promoting partnerships and networks in applied research and development, technology transfer, and capacity building.

C5 - Operation of fisheries, including the use of gear, is made safer, more technically and socio-economically efficient, environmentally friendly and compliant with rules at all levels, through:

- promoting improved monitoring, control and surveillance, including the use of satellite-based vessel monitoring systems;
- regular reporting on implementation of, and challenges associated with MCS activities;
- technical advice and capacity building;

- supporting the reduction of energy consumption and environmental impacts;
- establishment and maintenance of records of fishing vessels;
- support to countries to adopt and implement national and international fishing safety standards.

C6 – Member countries and other stakeholders have achieved more responsible post-harvest utilization and trade of fisheries and aquaculture products, including more predictable and harmonised market access requirements, through:

- adoption and implementation of science-based guidelines and codes of practice;
- technical advice and capacity building;
- promotion of harmonization and equivalence in international trade.

Application of Core Functions to Strategic Objective C

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 - Interdisciplinary approach	h - Partnerships, alliances
C1	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

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

Issues and Challenges

19. Consumers' demands for safe, nutritious, better quality food, and the implications of WTO's SPS and TBT Agreements on international food trade continue to generate a high level of interest in food safety and quality issues and related standards, at national and global levels. Both developing and developed countries look to the Codex Alimentarius Commission for international guidance to protect consumers' health, while ensuring fair practices in food trade. It is important that the provision of scientific advice on food safety and nutrition is based on data from a wide range of countries, so as to ensure its relevance in the international context. Substantial efforts must be made to develop the capacity of a large number of countries to contribute reliable data on food safety, quality and nutrition.

20. National food safety and quality policies must also be consistent with, or be integrated into other national development plans. Effectively implementing the food chain approach to food safety management requires collaboration among agencies concerned with human, animal, plant, and environmental health. Governments need to ensure that conditions exist for consumers to choose healthy diets, and that consumers have the knowledge and skills to make such choices.

Assumptions and Risks

- Strong political will continue to prevail for developing and implementing national food safety/quality policies;
- WTO agreements remain the basis for rules of international trade, and are not undermined by protectionist policies of regional economic groupings or at national level, or by the growing influence of private sector standards;

- emerging food safety problems and the increased frequency of food chain crises could divert resources from regular food control activities.

Organizational Results

D1 - New and revised food standards for food safety and quality are developed with broad input from countries and other stakeholders, providing internationally agreed recommendations for the production, processing, safe use and fair exchange of food, agricultural and fishery products, through:

- support to the Joint FAO/WHO Codex Alimentarius Commission;
- advocacy for the use of Codex texts at national and regional levels and facilitation of regional collaboration on food standardisation;
- provision of scientific advice on food safety and quality, including food composition and nutrient requirements (including advice from JECFA, JMPR, JEMRA and ad hoc expert meetings);
- advocacy and support for improving the effectiveness of developing country participation in Codex work, in close collaboration with WHO.

D2 - Countries have established food safety and quality policies and evidence-based programmes that reflect public health and trade priorities including emergency preparedness, and are supported by coherent legislation and regulations in line with internationally-agreed principles, through:

- advice on the development of policies that support food safety and quality along the food chain and strategies for their implementation;
- capacity and institutional building to ensure a coherent legal framework, effective food control management, food safety intelligence and efficient provision of technical services, such as inspection, certification and laboratory services, as well as early detection of and response to food safety emergencies;
- support for the collection, compilation, analysis and use of scientific data on food safety and quality, including food additives, chemical and microbiological contaminants, residues of pesticides and veterinary drugs, food-borne disease surveillance, food composition and nutrient requirements;
- provision of food safety intelligence and technical advice for the development of national capacities for preparedness and the early detection of and early response to food safety emergencies;
- support to national and regional programmes for food security, agriculture and rural development and agri-food business.

D3 - Countries implement effective programmes to improve adherence to international recommendations on good practices at all stages of the food chain and conformity with market requirements for all foods, through:

- advice on the development of national strategies that cover regulatory and non-regulatory approaches to achieving food quality and safety goals and consider economic and trade dimensions;
- advice on the development and implementation of quality schemes and on product and process innovation;
- facilitating access to suitable technologies by food chain operators;
- capacity and institution building to develop and disseminate technical guidance on good practices;
- support to public awareness programmes for consumer participation and education on food safety, nutrition and other food quality issues.

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 - Interdisciplinary approach	H - Partnerships, alliances
D1		X	X	X	X	X	X	X
D2	X	X		X	X	X	X	X
D3		X		X	X	X	X	X

Strategic Objective E - Sustainable management of forests and trees.

Issues and Challenges

21. The continuing loss and degradation of forests in many countries pose a critical challenge for the global community. Rural livelihoods often depend on productive forests that support employment and income. There is a need to improve the quality of forest management, reforestation and forest recovery after natural and human induced disasters. A strategic approach is needed to ensure that healthy forests can sequester carbon and thus reduce greenhouse gas emissions and help to mitigate climate change, conserve biodiversity, safeguard wildlife habitat and protect watersheds. A significant minority of countries are managing their forests in a sustainable manner; the challenge for the international community and FAO is to make this happen in a majority of countries.

Assumptions and Risks

22. Success will depend on relatively consistent economic progress. FAO can make a significant contribution to the capacities of countries to help them overcome past obstacles to sustainable forest management through policy advice, capacity development and technical assistance. However, continued population growth, political instability, and/or and economic pressures may continue to result in the conversion of forests to agriculture, urban or other land uses. These pose a serious challenge and there is a high level of risk that sustainable forest management may continue to fail in some key countries.

Organizational Results

E1 - Policy and practice affecting forests and forestry are:

i) based on timely and reliable information:

Primary tools

- serve as an authoritative global source of information on forests; prepare and disseminate the results of periodic Global Forest Resources Assessments and reports on the State of the World's Forests;
- support to national and regional forest monitoring and assessment, including interactions with other sectors through integrated land use assessments;
- effectively share knowledge and information through timely, high-quality use of the internet, networks, publications, and other media;

and ii) reinforced by international cooperation and debate:

Primary tools

- 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;
- strengthen linkages between national, regional and global processes, including through an expansion of the role of Regional Forestry Commissions;
- provide leadership for the Collaborative Partnership on Forests (CPF), including developing joint programmes or actions, and through other partnerships including hosting the Mountain Partnership and through active partnerships with the private sector and non-governmental organizations.

E2 - 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:

Primary tools

- support participatory development of forest policy and law, institutional reform and efforts to improve governance;
- sector studies and comparative analyses of forest institutions.

E3 - Forestry is better integrated into national development plans and processes, considering interfaces between forests and other land uses:

Primary tools

- support to effective national forest programmes, including capacity building and knowledge exchange;
- host and support the National Forest Programme Facility.

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 mitigate climate change:

Primary tools

- development and use of guidelines for good forest practices through effective stakeholder consultative process;
- support improved forest fire management including through community-based approaches;
- support the development and implementation of national and international financial mechanisms to support sustainable forest management;
- 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 (REDD).

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:

Primary tools

- analysis and knowledge of social and economic factors resulting in increased investment;
- analysis of production, consumption and trade of forest products;
- technical assistance and guidelines for community-based forest management, forest-based enterprises that improve livelihoods and reduce poverty.

E6 - Environmental values of forests and forestry are better realized, and strategies for conserving forest biodiversity, adapting to climate change, rehabilitating degraded lands, and managing water and wildlife resources are effectively implemented:

Primary tools

- provide technical and policy assistance in support of landscape and ecosystem approaches, with an emphasis on mountain ecosystems, arid zones and rangelands, coastal forests and other fragile ecosystems;
- support countries to address forest health, with special reference to adaptation to climate change;
- support national and regional initiatives to conserve forests and their biological diversity, to improve the management of watersheds, wildlife resources and protected areas, and to rehabilitate degraded forest lands and combat desertification.

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 - Interdisciplinary approach	h - Partnerships, alliances
E1	X	X	X	X	X	X	X	X
E2	X	X		X	X	X	X	X
E3		X		X	X		X	X
E4	X	X	X	X	X	X	X	X
E5	X	X		X	X	X	X	X
E6	X	X	X		X		X	X

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

Issues and Challenges

23. Natural resources (land, water, climate and genetic resources) and their services are essential to food production, enhanced rural development and sustainable livelihoods. Conflicts and competition over access to, and the use of these resources are likely to increase in many regions, due to soaring demands for food, fiber, energy as well as the loss and degradation of productive land. These conflicts will be exacerbated by changing growing conditions, increased water scarcity, loss of biodiversity, extreme weather events and other effects of climate change. The sustainable management of natural resources for the benefit of present and future generations requires recognition of the distinct disciplines addressing key aspects of natural resources and their governance, as well as the multi-disciplinary approaches required to address trade-offs and manage natural resources on a sustainable basis. The challenge is to ensure that the key data (including geospatial), knowledge and approaches related to natural resources are available at the national, regional and global levels, including in support of the development and use of international instruments, and are disseminated across the agriculture, forestry and fisheries sectors.

24. Many opportunities exist to limit the adverse impacts of climate change through improved knowledge and management of natural resources by sustainable agriculture, forestry and fisheries policies and practices. Mitigation actions involve for instance direct reduction of anthropogenic emissions or the enhancement of carbon sinks. International financing mechanisms (e.g. CDM, GEF) 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 both offers 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

- The capacities of countries to manage the opportunities and challenges related to sustainable natural resources management, climate change, and bioenergy are not overwhelmed by negative effects of population growth, rising food and energy costs and climate change, and are facilitated by positive effects of economic development;
- FAO can effectively contribute to the formulation of relevant instruments at the international level;
- international instruments, including the Kyoto protocol and any post-2012 arrangements, Clean Development Mechanism and other carbon market mechanisms would pay for carbon sequestration in soils and facilitate the farmers' access to such financial resources;
- national and international policies and arrangements can be developed for access to genetic resources and the sharing of benefits derived from their use, which adequately reflect the special nature of genetic resources for food and agriculture;
- countries are able to set achievable goals and formulate relevant policies, programmes and practices for the sustainable management of their natural resources and the adaptation to and mitigation of climate change.

Organizational Results

Organizational Results	Indicators
<p>F1 - Countries have strengthened capacities to promote and develop sustainable land management.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Provide policy advice, capacity building and technical guidance and/or develop guidelines on how to use land in sustainable ways • Strengthening countries to generate and use soil, land and land use data at the national level • Assess and monitor land resources, land use, land suitability, land degradation and soil/land management practice and coordinate, compile and disseminate global level assessments • 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 • Assess interactions between land and climate change, including GHG emissions and sequestration, and payments for environmental services. 	<p>F.1.1 – At least 20 countries have demonstrated capacity to carry out systematic inventories of land resources, land use, land management and land degradation.</p> <p>F1.2 - At least 10 countries use FAO guidelines for land use planning and sustainable management.</p> <p>F1.3 – At least 10 countries have the capacity to meet their internal requirements and international commitments for land resources monitoring, assessment and reporting.</p> <p>F1.4 - Expanded and recognized role of FAO in UN-CSD, UN-CCD, UN-CBD and UNFCCC to support countries in implementing action plans related to land resources and land use.</p>

Organizational Results	Indicators
<p>F2 - Countries have improved capacity to cope with water scarcity and to enhance water productivity of agricultural systems at national and river-basin levels including any trans-boundary water.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Strengthen countries in their capacity to monitor and report on national water resources and water use, quantity and quality, including geospatial information • Coordinate, compile and disseminate assessments of water resources and water use at global level (AQUASTAT), and develop global analysis on status and trends of water resources (including the World Water Development Report and inter-agency coordination on water issues – UN-Water) • Support to national and regional institutions for agricultural water management, management of river basins, trans-boundary water resources, and related policy/strategy formulation and implementation • Strengthen countries in their capacity to address irrigation performance and modernization (MASSCOTE) and water use efficiency and productivity enhancement (through AQUACROP). 	<p>F2.1 - At least 10 countries with improved monitoring and reporting capacity on national water resource and water use.</p> <p>F2.2 – At least 10 countries utilizing the analysis and perspective studies deriving from the global water information system AQUASTAT for their policy/strategy formulation and plan of implementation.</p> <p>F2.3 - Number of countries or river-basin organizations adopting measures as a result of policy and strategy support.</p> <p>F2.4 - At least 20 countries, river basins or agricultural systems adopting water productivity enhancement tools (including MASSCOTE, AQUACROP) to cope with water scarcity.</p>
<p>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 benefit sharing arising from use of genetic resources.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Provide an intergovernmental forum for policy making on genetic resources through the Commission on Genetic Resources for Food and Agriculture (CGRFA) • Implement the CGRFA Multi-year Programme of Work • Strengthen and coordinate global mechanisms to facilitate the implementation of FAO global plans of action on genetic resources for food and agriculture • Strengthen cooperation with relevant international organizations and instruments, including the Convention on Biological Diversity and ensure that specific needs of agriculture are properly reflected • Analyse the use and exchange of genetic resources and promote the fair and equitable sharing of benefits derived from them 	<p>F3.1 - At least six major outputs and milestones agreed by the Commission in its Multi-Year Programme of Work have been achieved.</p> <p>F3.2 - At least 15 countries implementing the Global Plans of Action for plant and animal genetic resources have benefited from FAO's mechanisms to support their implementation.</p> <p>F3.3 - A joint work plan on biodiversity for food and agriculture with the Secretariat of the Convention on Biological Diversity is operative and enables at least 5 countries to benefit from streamlined reporting requirements and reconciliation of environment and agriculture objectives.</p>
<p>F4 - More equitable access to and secure tenure of natural resources are achieved, including for women, indigenous people and vulnerable groups.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Improving governance, policies, administration and stakeholder participation through developing and 	<p>F4.1 - Adoption of voluntary guidelines on responsible governance of tenure arrangements for land and other natural resources.</p> <p>F4.2 - Ten countries, including at least two in emergency situations, have used FAO</p>

Organizational Results	Indicators
<p>applying appropriate methodologies</p> <ul style="list-style-type: none"> • Adjudicating rights to natural resources and their registration through formal and customary institutions • Applying appropriate valuation approaches and standards ensuring equitable taxation and compensation, and promoting appropriate security lending • Supporting practices of participatory territorial and related regulatory land use planning • Managing and resolving natural resource (access and use) conflicts through developing and applying appropriate methodologies. 	<p>guidelines in governance, policy-making and administration to implement secure and equitable natural resources tenure.</p> <p>F4.3 – Ten institutions using FAO guidelines and policy support in capacity building and legal empowerment at national and community levels.</p> <p>F4.4 - At least ten countries have benefited from major investments in land administration supported by FAO technical and normative capacities in partnerships facilitated by WB/FAO CP arrangements.</p>
<p>F5 - Countries have strengthened capacities to address emerging environmental challenges, such as climate change and bioenergy.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Support mainstreaming of climate change in national policies, strategies and programmes related to Agriculture, Forestry and Fisheries • Enhance country capacities to access and use knowledge and technologies related to monitoring and responding to emerging environmental challenges and their impacts • Enhance country capacities to access and benefit from financial mechanisms related to climate change and other payments for environmental services • Facilitate and promote international dialogues on sustainable bioenergy development and national sustainable bioenergy strategy and programme formulation • Advocacy and provision of inputs to intergovernmental processes to ensure that the dimensions of food, agriculture, forestry and fisheries are reflected in the negotiation and implementation of international instruments addressing global challenges. 	<p>F5.1 – At least 15 countries have integrated food and agriculture perspectives related to climate change adaptation and mitigation into their national development strategies and programmes.</p> <p>F5.2 – Observation and analytical techniques to assess impacts of climate variability and climate change are updated and applied in at least 20 countries.</p> <p>F5.3 - At least 10 countries have demonstrated improved capacities to assess long term climate change impacts on agriculture, and manage risks associated with climate variability and extreme events.</p> <p>F5.4 - Communication for development strategies and plans implemented in support of national climate change adaptation and bioenergy programmes validated and adopted by national institutions in at least 10 countries.</p> <p>F5.5 – At least 30 countries have benefited from financial mechanisms related to climate change, and demonstrated support for the inclusion of soil carbon sequestration in the post-Kyoto regime.</p> <p>F5.6 - Links between food security, sustainable natural resources management, poverty reduction and adaptation to climate change recognized and addressed in international agreements.</p> <p>F5.7 – At least 10 countries have developed national sustainable bioenergy strategies or policies.</p>

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 - Interdisciplinary 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

Strategic Objective G - Enabling environment for markets to improve livelihoods.

Issues and Challenges

25. Livelihoods are based on assets and improved access to these often depends upon well-functioning markets. Developing countries need to exploit market and trade opportunities arising from policy and institutional changes and adapt their commodity strategies and policies to meet development and food security needs. Producers and exporters need to respond to demands for product quality and safety and adhere to increasingly high industry standards, rapid urbanization and changing food consumption patterns.

26. There has been a rapid increase of value addition opportunities through agro-industries relative to primary production. While agribusiness and agro-industry development can increase competitiveness in international and domestic markets, the benefits are not automatic and will not be shared by all. These changes pose particular difficulties for small farmers, wage workers, traders, processors, wholesale markets and retailers. For example, complying with demands of agribusiness may require the growth of larger and more commercial farms, to the possible detriment of smallholders. Similarly, those in the traditional farmer-trader-wholesaler-retailer chain may find it difficult to adjust to competition from supermarkets and their innovative supply chains. Employment creation through agribusiness development and the expansion of commercial farms needs to be accompanied by policies and services that ensure fairer and safer conditions of employment in rural areas.

Assumptions and Risks

- Assumptions: significant need for assistance to countries to identify market, institutional and policy responses; Ministries of agriculture and other organizations may be ill-equipped to support the development of necessary infrastructure, to formulate appropriate policies and to develop other aspects of a suitable enabling environment; those involved in production, processing and marketing activities generally need to adopt a more commercial approach in order to benefit from remunerative markets; small and medium enterprises in developing countries have to improve their technical, managerial and marketing skills.
- Risks: the investment potential of, and economies of scale available to multinational companies will create major difficulties for smaller firms in developing countries to compete; agribusinesses and farms may not uphold international labour standards, and governments may not have the policy, institutional or human capacity to regulate this effectively; farmers may be insufficiently business oriented and may lack necessary management skills to take advantage of commercial opportunities; high food prices present both risks and opportunities for incomes and livelihoods in rural areas, depending on access to resources, the competitiveness of agro-industries, the performance of distribution and marketing systems and the ability of small farmers to take advantage of new or expanding trade opportunities.

Organizational Results

G1 – Appropriate policies and services enable smallholders in rural and peri-urban areas to improve competitiveness, diversify into new enterprises, increase value addition and meet market requirements through:

- market and value chain analyses, including appraisal of value chain development strategies, production technologies and market opportunities;
- analysis of impacts of emerging global challenges such as climate change, price instability and natural resource scarcity smallholder production;
- policy advice and technical assistance for value chain development;
- capacity building and institutional strengthening for better integrating smallholders into commercial market.

G2 - Rural employment creation is adequately considered in agricultural and rural development policies, programmes and partnerships through:

- analysis of patterns and trends of farm and off-farm employment;
- policy advice to expand rural employment in both agricultural and non-agricultural rural sectors;
- advocacy work and capacity building to support policies conducive to rural employment.

G3 - National and regional policies, regulations and institutions enable competitive agribusiness and agro-industries and an active role of the private sector in sustainable rural development through:

- appraisal of challenges, opportunities and strategies;
- assistance with formulation of agribusiness and agro-industry policies and programmes, covering areas such as an appropriate enabling environment for agro-industry development and the financing of agribusiness value chains;
- institutional strengthening, such as support to agribusiness promotion bodies, and capacity building in areas such as technological development, management and product marketing.

G4 – Increased capacity to analyse changes in the international trade environment and in trade opportunities creates an enabling policy and institutional environment for agricultural producers and agro-enterprises through:

- analysis of agricultural markets and trade policies affecting development;
- advice and training support in market information and analysis, policy formulation and international trade negotiations.

G5 - Improved government capacity to establish appropriate institutional, financial, and regulatory systems enables agricultural producers and agro-enterprises to have enhanced access to input and output markets and services through:

- analysis of markets, services, institutions and regulatory frameworks;
- advice and assistance on market inclusion, risk management, and public-private sector cooperation;
- institutional capacity building.

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 - Interdisciplinary 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
G4	X	X		X	X	X	X	X
G5		X		X	X	X	X	X

Strategic Objective H - Improved food security and better nutrition.*Issues and Challenges*

27. Addressing the wide-ranging factors that underpin food and nutrition insecurity and poverty requires relevant and up-to date information and analyses, not only for determining the underlying causes of food insecurity and undernutrition, but also for identifying effective solutions. More specifically, the requirements are for: a) advocacy and awareness-raising to place food security and nutrition higher up in national, regional and global agendas; b) strengthened national capacities for assessing food and nutrition situations and for incorporating food security and nutrition objectives into policies, strategies and programmes; c) the promotion of the right to food and related legal frameworks; d) applied research on, and feedback from lessons learnt from food and nutrition security programmes; and e) nutrition education and information to ensure adequate diets and better nutrition for all.

Assumptions and Risks

28. At the household level, having entitlement and access to sufficient economic resources is what ensures freedom from food insecurity and hunger. Social, cultural, legal and political relationships exert significant influence on how those entitlements are determined. Success will, therefore, be determined by the extent and speed with which the constraints to achieving food and nutrition security can be removed.

29. Risks include: a) lack of national information systems able to monitor developments or ensure policy coherence at the international level; b) lack of effective collaboration among concerned national departments and among international agencies and organizations.

Organizational Results

H1 – Member countries, development partners and other stakeholders have access to information, analysis and lessons learned to improve food security and nutrition.

Primary Tools

- knowledge exchange platforms;
- flagship publications (SOFI, SOFA, SOCO), periodic reports and key documents on emerging issues;
- convene global, regional and national meetings for discussion of current and emerging issues;
- developing and delivering methods, tools and guidelines to standardize and harmonize food security and nutrition information;

- methodologies and tools for food security and nutrition analysis and assessment to support food security and nutrition policy development targeting and impacting evaluation;
- global analysis, monitoring and advocacy.

H2 - Countries and relevant regional institutions formulate and adopt coherent policies, programmes and interventions that address the root causes of and threats to food insecurity.

Primary Tools

- analytical contributions and capacity building for designing and implementing policies, strategies and plans of action;
- strengthening food security information and early warning systems;
- technical advice on ways to integrate nutrition in food security policies and programmes;
- raise awareness and develop advocacy strategies.

H3 - Countries have the capacity and information to orient their development programmes towards protecting and improving consumer diets and raising levels of nutrition.

Primary Tools

- capacity building for communicating nutrition information and dietary guidance through multiple channels (dietary guidelines, labelling, nutrition education in school curriculum);
- partnerships for upgrading countries' capacities in nutrition knowledge and practice;
- support to inter-agency collaboration on nutrition;
- documenting knowledge on the effectiveness of food/dietary approaches to nutrition improvement.

H4 - Countries, upon request, are enabled to implement the voluntary guidelines on the progressive realisation of the Right to Food, and principles of good governance (transparency, participation and accountability), in processes related to food security and nutritional wellbeing.

Primary Tools

- application and integration of the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security;
- knowledge generation and exchange with national and international partners on the application of the right to food and human rights based approaches;
- collection and dissemination of best practices and lessons learned on the implementation of the right to food;
- technical and legal advice on right to food-based processes in the context of legal, institutional and social reforms;
- capacity development and advocacy on the application of principles of good governance (including transparency and accountability) relevant to food security and nutrition frameworks.

H5 - Production and dissemination of reliable and timely statistics as a public good in support of food security and nutrition analysis and decision making at all levels.

Primary tools

- capacity building on food balance sheets, census data and household budget surveys;
- developing global datasets on food security situation and trends;
- developing information management systems;
- adapting and developing new and appropriate statistical methods;
- sharing knowledge and lessons learned on best practices in statistics;
- developing strategies in support of sustainable national statistical systems.

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 - Interdisciplinary approach	h - Partnerships, alliances
H1		X		X	X	X	X	X
H2	X	X			X		X	
H3	X	X		X	X		X	
H4		X	X	X	X	X	X	
H5	X	X			X	X	X	X

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

Issues and Challenges

30. Poor people in rural areas, most of them depending directly or indirectly on agriculture for their livelihoods, are typically the most vulnerable to, and worst affected by, emergencies. In addition to continuing or new conflicts, climate change is increasing the frequency and intensity of natural disasters. Emergency preparedness and responses must address the specific needs of agriculture-based populations of smallholders, pastoralists, fishers, forest users, landless farm workers and their dependents. Special emphasis must be given to the food insecure and nutritionally vulnerable groups, including women and children. Effective support should involve all elements of disaster risk management, including early warning, contingency planning, disaster risk reduction, needs assessment and timely response. Links with other sectors (e.g. health, education, social affairs) and main partners (UN system and NGO/CSOs) must continue to ensure integrated support at global, regional and national levels. The financial and institutional environments in which FAO needs to operate are evolving: (1) the level of funding related to emergencies has increased and is becoming more diversified; humanitarian action is being increasingly financed by pooled funds at the global and country levels; (2) the high number of UN agencies and NGOs involved in food, nutrition and agricultural emergency and rehabilitation work, creates opportunities for collaboration and cooperation, but also coordination challenges; (3) the ongoing UN reform process offers opportunities for FAO with regard to coordination and leadership on food security and nutrition issues at the global, regional and national levels; (4) capacity building of national disaster management institutions enables the governments of countries experiencing emergency situations to play new and stronger roles in risk reduction and the coordination of external assistance.

Assumptions and Risks

- Governments assign sufficient priority to capacity building in risk analysis, early warning, contingency planning, preparedness, and coordination of response in emergencies and building back better;
- 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”, also known as the "Crisis Management Centre (CMC) for the Food Chain";
- FAO to augment its rapid response capacity through the progressive corporate implementation of the Incident Command System (ICS) within the Crisis Management Framework and for large emergencies;
- the core capacity of FAO's technical divisions should remain commensurate with the need to support work in emergencies and rehabilitation in general, and to assume leadership when appropriate;

- as a major potential risk, the number and severity of crises may become far greater than the capacity of the Organization to respond effectively.

Organizational Results

I1 - Early warning systems related to food and agricultural emergencies are used by stakeholders at global and national levels of developing countries to respond effectively and efficiently by:

- building capacity to produce, monitor, analyze and manage early warning data in high risk developing countries with significant vulnerable rural populations;
- streamlining existing local, national, regional and global early warning systems through appropriate partnerships.

I2 - Governments and relevant partners in high risk developing countries with significant vulnerable rural populations are empowered, through effective contingency planning, to respond to food and agricultural emergencies by:

- supporting establishment of contingency plans in relation to food and agricultural emergencies;
- strengthening local capacities and institutional arrangements for protecting and promoting nutrition, especially of the poor and food insecure.

I3 - Governments and their relevant partners in high risk countries with significant vulnerable rural populations are able to respond to food and agricultural emergencies in a coordinated, timely and technically robust manner through:

- technical advice for preparation of gender-sensitive needs assessments, plans of action and responses ensuring that affected rural poor households and communities recover quickly, build back more resilient livelihoods, and can better handle future disaster risks;
- advocacy support to mobilise required resource;
- technical advice for protecting and promoting nutrition and incorporating nutrition and household food security considerations into emergency agriculture interventions;
- FAO staff trained in Incident Command System.

I4 - High risk developing countries with significant vulnerable rural populations have enhanced policy frameworks and institutional capacities in relation to potential emergencies that fully incorporate the agriculture sectors, and rural communities and households at risk adopt improved agricultural and land and water management to reduce such risks, through:

- policy and technical advice for integrated risk reduction practices and principles in sectoral policies and programmes.

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 - Interdisciplinary approach	h - Partnerships, alliances
I1	X	X		X	X	X		
I2				X	X	X		X
I3				X	X	X	X	X
I4				X	X	X	X	

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

Issues and Challenges

31. Rural men and women play different and complementary roles in agriculture, rural development and food security at household and community levels, but pervasive patterns of inequality and low levels of women's empowerment continue to impede progress in defeating hunger. Gender inequality has been characterized as: "a major economic and social loss as well as...an injustice and a brake on achieving household and community food security". There is a continued need to assist countries to mainstream gender issues and enhance their capacity to analyze and address gender-related development and humanitarian challenges. FAO is also called upon to give high priority to gender issues in all its work. Eradication of extreme poverty and hunger cannot be achieved without affording equal opportunities to men and women and without women's economic empowerment.

Assumptions and Risks

- Lack of understanding of the usefulness of addressing gender issues to achieve development objectives may remain pervasive;
- soaring food prices may affect women and men differently;
- adequate capacity to deal with gender issues at both HQ and decentralized offices levels.

Organizational Results

Organizational Results	Indicators
<p>K1 –Rural gender equity is incorporated into UN policies and joint programmes for food security, agriculture and rural development.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Develop more effective partnerships within the UN system and with other relevant stakeholders • Refine current tools and methodologies and utilize research findings to inform UN System common approaches • Provide technical advice to promote women’s empowerment and reduce gender inequalities in access to resources, goods, services, employment, and decision-making in rural and peri-urban areas. 	<p>K1.1 – FAO jointly plans and implements activities with at least one other UN Agency in at least three “Delivering as One” Joint Programme countries.</p> <p>K1.2 – At least two new UN system-wide policy instruments include FAO mandate areas.</p> <p>K1.3 – Tools and methodologies developed by FAO adapted and used in implementing the “Delivering as One” Joint Programme in at least three countries.</p> <p>K1.4 - At least one food security and/or agricultural initiative based on FAO technical advice and leading to rural women’s empowerment and equal access to resources/decision-making, in three “Delivering as One” Joint Programme countries.</p>
<p>K2 - Governments have increased capacity to incorporate gender equity in agriculture and rural development programmes, projects and policies.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Design and support training that develops skills of Governments and other stakeholders in research, participatory policymaking and programme development • Capacity building in sex-disaggregated data collection, analysis and use in policy-making 	<p>K2.1 - Socio-economic and gender analysis is carried out by policy-makers and development agents based on approaches and tools of SEAGA and other programmes in six additional countries.</p> <p>K2.2 – National statisticians and agricultural policy analysts in at least three countries produce, analyze and disseminate sex-disaggregated data based on FAO training.</p>

Organizational Results	Indicators
<ul style="list-style-type: none"> • Conduct research on emerging issues to develop and update capacity building tools. 	<p>K2.3 - At least one gender-sensitive agricultural and rural development policy initiative formulated as a result of FAO's support in training and skills development in four countries.</p> <p>K2.4 – Four countries develop systems to implement and measure the gender-differentiated impacts of policy, including on vulnerable groups and female-headed households, as a result of FAO's support in training and skills development.</p> <p>K2.5 – All relevant capacity building materials are updated to incorporate the results of gender-sensitive research on emerging issues.</p>
<p>K3 – Governments are supported in the formulation of gender-sensitive, inclusive and participatory policies in agriculture and rural development.</p> <p><i>Primary tools</i></p> <ul style="list-style-type: none"> • Provide technical support and policy advice on gender-sensitive policy formulation based on accurate sex-disaggregated data and information • Undertake gender-sensitive situation analysis to build a common understanding for policy action • Provide a platform for dialogue, advocacy, accountability, and partnership between Government and relevant stakeholders • Conduct research on emerging policy issues to support policy-making processes. 	<p>K3.1 – Sex-disaggregated data and results from research on gender and rural employment, health issues including HIV and AIDS, migration, climate change and bio-energy are used for policy decisions by Government in the formulation of at least one gender-sensitive agricultural policy in four countries.</p> <p>K3.2 – Gender-sensitive situation analysis conducted by Governments and relevant stakeholders in four countries.</p> <p>K3.3 – Policy dialogue between Governments and relevant stakeholders facilitated by FAO for at least one gender-sensitive agricultural and rural development policy in four countries by end of 2011.</p>
<p>K4 – FAO management and staff have demonstrated commitment and capacity to address gender dimensions in their work.</p> <p><i>Primary Tools</i></p> <ul style="list-style-type: none"> • Development and use by technical units of gender mainstreaming modules based on the SEAGA approach • Upgrading of gender analysis skills of FAO Staff at both headquarters and decentralized levels using SEAGA-based gender mainstreaming modules • Appointment of Senior Staff as Gender Focal Points by FAO technical units as demonstration of a strong commitment to gender mainstreaming • Budget allocations to take account of commitment and performance against PoA indicators. 	<p>K4.1 – Gender and Development Plan of Action is revised for alignment with the new strategic framework by end of 2010, incorporating lessons learned from first performance report on implementation of the current GAD PoA.</p> <p>K4.2 – FAO technical units implement, monitor and report on their gender-related targets.</p> <p>K4.3 – All headquarters and decentralized professional staff are trained in gender mainstreaming.</p> <p>K4.4 – All gender focal points are at sufficiently senior level.</p>

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 - Interdisciplinary approach	h - Partnerships, alliances
K1	X	X		X	X		X	X
K2					X		X	X
K3		X		X	X		X	X
K4				X	X	X	X	X

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

32. Over the past two decades, funding of agriculture has declined sharply, in both relative and absolute terms. The share of agriculture in Official Development Assistance (ODA) declined from 18% in 1979 to 3.5% in 2004 and the amount from about USD 8 billion in 1984 to USD 3.4 billion in 2004. In order to achieve the highest possible impact of public and private investments in Agricultural and Rural Development (ARD), a number of conditions are to be met: among others, appropriate policies and strategies creating an enabling environment – particularly for private investment; state-of-the art formulation of public investment programmes and projects; and timely and comprehensive monitoring and evaluation of results and impact. Analysis is needed to justify the viability of investments and to identify barriers to investment options.

33. With greater amounts of 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 in 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 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. Given limited public funding for ARD, it must be applied in core areas to maximize leverage 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 outside project staff.

Assumptions and Risks

34. Within the broader external environment, the main assumptions (and risks if the reverse are true) are that: the current strong momentum for ARD at national and international levels is sustained over time so that pledges (both from budget resources and ODA) are converted into actual investment in support of food security and poverty reduction; international prices of commodities produced in developing countries should not drop abruptly and be stabilized at a level which is sufficient to motivate small producers and agribusiness investors to increase local food production and processing and reduce poverty levels; market distortions resulting from agricultural subsidies and non-tariff trade barriers in OECD countries are to be substantially reduced over time; developing countries have more decisive policies to take advantage of export opportunities; the Paris Declaration on Aid Effectiveness and Accra Agenda for Action (2008) are put into effective practice, thus ensuring coherence and synergies between various sources to the benefit of the recipient countries.

35. At the national level, the main assumptions (and risks if the reverse is true) are that: governments have the competency to drive an economic reform agenda that applies public funding to leverage private investment while reducing private investment risk and transaction costs; governments have the sufficient capacity and incentives to effectively manage investment projects.

36. At the institutional level (of FAO and its partners) the main assumptions (and risks if the reverse are true) are that: there is sufficient flexibility in use of resources to meet the specialized investment needs and requests of countries; resources are available to support capacity building efforts in countries; and skills are available, or can be brought into the Organization to support investment related priorities of countries.

Organizational Results

L1 - National and regional agricultural, rural development and food security sector policies and strategies are elaborated and applied to set the basis for more effective investment in agriculture from national budgets, development partners and the private sector through:

- FAO's advocacy and the provision of targeted FAO expertise and knowledge products in government investment framework formulation;
- FAO appraisals, policy advice and technical support on agribusiness information systems, investment climate indicators, public-private partnerships and rural finance systems.

L2 - National capacity for sustainable investment planning and implementation in the agriculture and rural development sector strengthened through:

- the provision of FAO-led capacity building in investment cycle management and the development and dissemination of related knowledge products;
- knowledge sharing on lessons learned from IFI evaluation work (ICRs, PCRs) and additional regional/thematic evaluation studies between countries, regions and financing partners.

L3 - Effective national public agriculture and rural development investment operations formulated, approved, implemented and evaluated through:

- the integrated provision of FAO technical and investment cycle management expertise to member 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 - Interdisciplinary approach	h - Partnerships, alliances
L1	X	X		X	X	X	X	X
L2		X			X		X	X
L3	X	X		X	X		X	X

IV. Functional Objectives and Organizational Results

37. In broad similarity to the Strategic Objectives, the full formulation of Functional Objectives requires:

- Elaboration of the issues and challenges to be addressed
- Identification of assumptions and risks
- Highlighting the performance improvement to be achieved under the applicable Organizational Results
- Elaboration of Targets and Indicators of achievement of the Organizational Results.

38. For each of the Functional Objectives, a summary of this information is included in the present elements of the SF/MTP. A tentative set of indicators at the level of results is developed and presented in a provisional results matrix for Functional Objective Y.

Functional Objective X - Effective collaboration with Member States and stakeholders

Issues and Challenges

39. Governing and statutory bodies need to be serviced effectively, and their decisions implemented in a responsive and transparent way. The advocacy role of FAO, as enshrined in its Basic Texts, is dependent on a robust internal communication culture and effective external communication policy and strategy. FAO also needs to operate in a complex environment, delivering a wide variety of activities, including dissemination of technical knowledge and field and emergency projects. 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.

40. Other key means of action need to benefit from a context of overall coherence and continuous improvement. The Organization engages in partnerships with many other entities, particularly other UN system organizations. This provides both opportunities and challenges to work together to deliver services to member countries more effectively under the umbrella of UN cooperation, and to share services with the aim of reducing administrative costs.

41. 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. Fraud, corruption and unsatisfactory conduct pose a grave threat to the effective implementation of the Organization's policies and objectives. 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.

Assumptions and Risks

- Continued commitment of the stakeholders to the mission of the Organization, matched by a climate of transparency and trust between member nations and the secretariat;
- the same level of trust and transparency to govern relationships with partners and funding sources for field programmes;
- while FAO is accustomed to the lack of predictability for extra-budgetary contributions, it remains an obvious constraint.

Organizational Results

X1 - Effective direction of the Organization exercised through enhanced governance and oversight of FAO's work.

X2 - Work of the Organization under all funding sources is based on a results framework, with strategic and operational plans that take into account global, regional, subregional and country dimensions, and incorporate lessons learned. Resources are mobilized in support of planned results and NMTPFs.

X3 - Opportunities for adding value and leveraging synergies through interdisciplinary work and approaches are properly identified, planned, resourced and promoted by managers.

X4 - A focused and effective advocacy and communication approach at corporate level maintains the hunger issue high on the international agenda so as to increase understanding of the need for investment in agriculture and the rural sector, and raise awareness of FAO's comparative advantages.

X5 - Key partnerships and alliances are achieved or further developed with main stakeholders at country, regional and global levels, including through systematic and proactive FAO contributions to policy coherence and coordination across the UN system.

X6 - An effective and efficient FAO presence and programme delivery at country, subregional and regional levels that supports capacity building and addresses humanitarian and developmental challenges through jointly agreed priority frameworks that are aligned with the respective development agendas and global commitments of Member States as well as their regional organizations, and harmonized with joint UN approaches.

X7 - Corporate strategy for knowledge management and capacity building is developed and implemented through inter-departmental mechanisms that take account of UN system-wide processes with a view to support Member States in their development efforts.

X8 - Effective Information Technology (IT), Information Management (IM) governance are established, and value-added IT/IM solutions and services are aligned with the changing needs of the Organization.

Functional Objective Y - Efficient and effective administration

Issues and Challenges

42. In any institution, management and administrative services must meet the highest standards of efficiency and quality. Clear lines of authority, responsibility and accountability are needed, 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 should also be able to attract and retain high quality and well motivated staff. The results of the ongoing Root and Branch Review are expected to lead to major changes in the Organization's business support structure and systems.

Assumptions and Risks

43. The following risks exist: lack of transition funding to meet costs for improvements to administrative services; expectations for immediate change may overwhelm the Organization's capacity to adjust; resistance to change from entrenched attitudes and bureaucratic inertia.

Organizational Results

Organizational Results	Indicators
Y1 - Adoption of improved financial measures for the recording and funding of the Organization's staff-related after-service liabilities.	Y1.1 – After-service liabilities are recorded in the financial statements of the Organization based on annual external actuarial valuations for all reporting periods commencing 1 January 2009.

Organizational Results	Indicators
	<p>Y1.2 - Additional resources are committed by Member Nations to reduce the gap between liabilities and available funding.</p> <p>Y1.3 - Investment allocations to address the liabilities are consistent with the asset/liability profile.</p>
<p>Y2 - Improved financial reporting through the implementation of international accounting standards which better support decision making, financial management and accountability.</p>	<p>Y2.1 – The Organization’s financial statements are compliant with International Public Sector Accounting Standards and are certified as such by External Audit.</p> <p>Y2.2 More frequent, more timely, and more relevant financial information for managers and budget holders</p> <p>Y2.3 – Enhanced financial information is provided to Governing Bodies and donor reporting.</p>
<p>Y3 - Strengthen the Internal Control Framework to ensure that administrative processes, financial rules and procedures are relevant and support the effective and efficient management of resources.</p>	<p>Y3.1 - Financial/administrative processes and procedures cost effectively address risk, and are defined based on clear roles and responsibilities.</p> <p>Y3.2 - Budget holders and support staff are trained in their roles and responsibilities in relation to financial procedures.</p> <p>Y3.3 - Financial/administrative processes are updated in a timely manner to reflect changes to the Organization’s business processes.</p>
<p>Y4 - Results-based and competency driven strategies are developed and applied to manage human resources.</p>	<p>Y4.1 –Percent increase in the understanding and application of RBM by staff in field and headquarters (current baseline: RBM survey for all staff categories).</p> <p>Y4.2 – Proportion of staff in full compliance with the PEMS review cycle as measured by the number of completed year-end reviews.</p> <p>Y4.3 – Gender Plan of Action target of number of women in higher grades as well as recruitment targets achieved.</p> <p>Y4.4 – Geographic representation targets achieved.</p> <p>Y4.5 - Proportion of managers participating in the leadership programme and demonstrating improved managerial and leadership capacity as measured by the PEMS review cycle.</p> <p>Y4.6 – Number of staff rotated into new locations or positions based on PEMS and individual staff development needs and/or incentives.</p>
<p>Y5 - Managerial and administrative support services are client-oriented, timely and cost-effective.</p>	<p>Y5.1 - Proportion of services covered by service level agreements.</p> <p>Y5.2 - Ratio of SSC staff to total number of</p>

Organizational Results	Indicators
	<p>employees served.</p> <p>Y5.3 - Client satisfaction with the timeliness and accuracy of transactions processed through the Shared Services Centre.</p> <p>Y5.4 - Client satisfaction with the infrastructure and facilities management services provided (including cleanliness, maintenance, and general comfort).</p> <p>Y5.5 - Timeliness of response to requests for procurement actions.</p> <p>Y5.6 - Time period between issuance of vacancy announcement and selection decision for professional and higher category.</p> <p>Y5.7 - Manual Section and other documented administrative procedures currently requiring more than 2 transaction review/approval steps revised and streamlined.</p>

V. Impact Focus Areas

44. For the results-based approach to have the greatest impact, voluntary contributions will need to focus on the achievement of results as defined in the Medium Term Plan. At the national level, resource mobilization is primarily guided by country development priorities as identified in the National Medium Term Priority Frameworks, in support of FAO's organizational results (in terms of outcomes) through trust funds, joint programming, direct budgetary support, etc. Resource mobilization will also support Regional Programmes.

45. While in no way inclusive of all resource mobilization efforts, Impact Focus Areas (IFAs) contribute to Strategic Objectives and their agreed Organizational Results and provide a focus within or across them. They will:

- e) help mobilise resources for priority groups of results which could benefit from additional funding, acting as "flagships", providing a communication and advocacy tool to better attract voluntary extra-budgetary resources and partnerships to supplement assessed contributions;
- f) progressively enable pooled, and less rigidly tied, funding of voluntary extra-budgetary contributions;
- g) primarily address issues of priority to developing countries with emphasis on capacity building and getting policy frameworks right; and
- h) facilitate Governing Body oversight of the use of extra-budgetary resources in line with agreed priorities.

46. Impact Focus Areas have an indicative duration of some four years and may be extended as necessary. They will be underpinned by a strategy and indicators of outcomes. They will be reviewed each biennium as part of the Medium Term planning process and may be discontinued, adjusted or added, in line with emerging needs and results.

47. To better engage members and donors in the planning process, an informal biennial meeting (not as part of the Governing Body cycle of meetings) of interested Members and other potential sources of extrabudgetary funds and partnerships will be held, to exchange information on extrabudgetary funding requirements, especially in relation to Impact Focus Areas.

Possible Impact Focus Areas

48. An indicative initial listing of Impact Focus Areas is provided in the box below, for further elaboration in the full Medium Term Plan to be considered by the governing bodies in 2009. They have been identified based on existing or emerging challenges where extrabudgetary resources need to be mobilised to achieve results.

Possible Impact Focus Areas

- ***Action towards global food security in the context of the current food crisis and climate change:*** Build longer-term resilience and contribute to global food security through short, medium and long term action under the UN System Comprehensive Framework of Action on Global Food Crisis by supporting sustainable growth in food production in developing countries, especially among smallholder farmers, including through the Initiative on Soaring Food Prices (immediate needs) and support to National and Regional Programmes for Food Security.
- ***Prevention and reduction of the negative effects of transboundary animal and plant pest and food safety incidences*** (negative economic, social and health impacts).
- ***Strengthening the information base for sustainable forest management:*** Building countries' capacities to manage forests and trees based on timely and reliable information.
- ***Implementation of the Code of Conduct for Responsible Fisheries*** (FishCode - Global Partnerships for Responsible Fisheries) to help ensure sustainable fisheries and aquaculture as integral components of food production and resource management systems at national, regional and global levels, in particular through capacity building.
- ***Coping with scarcity of land and water resources:*** Increasing capacities to achieve improved governance, access to and management of land and water resources, including the implications of climate change, with a special emphasis on Africa.
- ***Information and statistics:*** Strengthening national, regional and global capacities to generate reliable information and statistics to improve national and global decision making in agriculture and the fight against hunger.
- ***Standard setting and regulation:*** Strengthened 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).

Annex 2: Basic Text Changes: Indicative Listing of Areas in the Immediate Plan of Action Requiring Basic Text Changes

This indicative list, prepared for reference purposes, is extracted from the matrices contained in the Immediate Plan of Action and must be seen in conjunction with and in the light of that document. It is not all inclusive and there may be areas requiring Basic Text changes which have not been foreseen at this point in time. At the same time not all the points listed may require any changes in the Basic Texts. The draft amendments to the Basic Texts of the Organization required to implement the actions of the Immediate Plan of Action are expected to be recommended to the Conference for approval in 2009 by the Conference Committee for the Follow-up to the IEE on the basis of proposals prepared by the Committee on Constitutional and Legal Matters and the advice of the Council as appropriate.

The Term Governing Bodies

- 1) The term Governing Bodies will be defined, preferably in the Basic Texts.

FAO Conference

- 2) Acting, primarily on the basis of recommendations of the Technical Committees and the Regional Conferences, the Conference will:
 - a) Systematically review the global situation to determine those issues requiring priority for greater policy coherence and study current regulatory frameworks to determine areas requiring early action by FAO or in other fora;
 - b) As appropriate take into consideration policy issues and instruments relating to food and agriculture being developed in other fora than FAO and provide recommendations to those fora.
- 3) The Conference will receive directly (without passage through the Council), sections of the reports of Technical Committees, Regional Conferences, and ministerial meetings addressing global policy issues and international frameworks (including treaties, conventions and regulations).
- 4) The Conference will meet in June of the second year of each biennium.
- 5) Each session of the Conference will have one major theme agreed by the Conference, normally on the recommendation of the Council.
- 6) The Conference will consider its agenda directly on the basis of a recommendation of the Council.

FAO Council

- 7) The Council will exercise the following functions of Governance with support from the Programme and Finance Committees:
 - a) the major role in deciding and advising on:
 - i) work-planning and performance measures for the Council itself and for other Governing Bodies excluding the Conference;
 - ii) monitoring and reporting performance against these measures;
 - iii) strategy, priorities and budget of the Organization;
 - iv) the overall programme of work;
 - v) major organizational changes, not requiring Conference changes of Basic Texts; and
 - vi) recommending the theme and agenda of the Conference to the Conference. The Director-General will make such suggestions as she/he has for the Conference agenda to the Council for its consideration.

- b) will make a clear recommendation to Conference on the Programme and Budget Resolution including the budget level;
 - c) monitor the implementation of governance decisions;
 - d) exercise oversight ensuring that:
 - i) the Organization operates within its financial and legal framework;
 - ii) there are transparent, independent and professional audit and ethics oversight;
 - iii) there is transparent, professional and independent evaluation of the Organization's performance in contributing to its planned outcomes and impacts;
 - iv) there are functioning results-based budgeting and management systems;
 - v) policies and systems for human resources, information and communication technology, contracting and purchasing, etc are functional and fit for purpose; and
 - vi) extra-budgetary resources are effectively contributing to the Organization's priority goals; and
 - e) monitor the performance of management against established performance targets.
- 8) The Council will no longer discuss global policy and regulatory issues, unless there is an urgent reason to do so (to be handled by the Technical Committees and the Conference).
- 9) The Council will meet more flexibly and for variable lengths of session as appropriate to the agenda (normally a minimum of 5 sessions per biennium). It will:
- a) meet in the September-November of the second year of the biennium and decide any adjustments needed in the Programme and the Budget distribution for the forthcoming biennium in the light of the level of the assessed budgetary contributions decided by the Conference and the availability of extra-budgetary resources;
 - b) hold a short meeting (minimum two days) after each session of the Programme and Finance Committees; and
 - c) hold a meeting to prepare the Conference at least two months prior to the Conference, so that recommendations can be taken account of, including recommending the final agenda of the Conference to the Conference for its final approval.
- 10) The Council Report will consist of conclusions, decisions and recommendations (verbatim to provide detail and be published in all languages).
- 11) The Council will review the annual or biennial report of the Ethics Committee on the basis of the findings and recommendations of the CCLM and Finance Committee.

Independent Chairperson of the Council

- 12) Clearly specify the functions and proactive facilitation role of the Independent Chairperson of the Council for the Governance of FAO, eliminating any potential for conflict of roles with the managerial role of the Director-General and, including, in addition to chairing meetings of the Council:
- a) serve as an honest broker in arriving at consensus between members on controversial issues;
 - b) liaise with the Chairs of the Programme and Finance Committees and CCLM on their work programmes and as appropriate with the chairs of Technical Committees and Regional Conferences, normally attending the Programme and Finance Committees and Regional Conferences;
 - c) as and when he/she considers it useful, the Independent Chairperson of the Council may call for consultative meetings with representatives of the Regional Groups on issues of an administrative and organizational nature for the preparation and conduct of a session;
 - d) liaise with FAO senior management on concerns of the membership, expressed through the Council and its Programme and Finance Committees and the regional conferences;

- e) ensure that the Council is kept abreast of developments in other fora of importance for FAO's mandate and that dialogue is maintained with other Governing Bodies as appropriate, in particular the Governing Bodies of the Rome based food and agriculture agencies; and
 - f) drive forward the continuous improvement of the efficiency, effectiveness and Member ownership of FAO Governance.
- 13) The Basic Texts will also specify:
- a) desirable qualifications (competencies) for the Independent Chairperson to be developed by the Conference Committee with advice of the CCLM and decided by the 2009 Conference; and
 - b) that the Independent Chairperson is required to be present in Rome for all sessions of the Council and will normally be expected to spend at least six to eight months of the year in Rome.

Programme and Finance Committees

14) The Programme Committee functions will emphasise programme priorities, strategy, budget and evaluation and will also include: consideration of field and decentralized work; priorities for the Organization to address in developing global policy coherence and regulation; and partnership and coordination with other organizations for technical work.

15) The Finance Committee will cover all aspects of administration, services and human resources as well as finance, including the policies and budget for these areas of work – becoming a Finance and Administration Committee.

16) The Committees will meet more flexibly and for variable lengths of session as appropriate to the agenda and in line with the programme and budget planning and review cycle - (minimum number of sessions normally four per biennium).

17) The two Committees will hold more joint meetings. The discussion will be in joint session whenever there is overlap in the discussion or the two Committees contributions will have a strong complementarity.

18) The two Committees will be required to make clear recommendations and give more attention to policies, strategies and priorities in order to provide improved oversight and more dynamic guidance to the Council. The Programme and Finance Committees will make clear recommendations on considerations for the Council in making its recommendation to the Conference on the budget level.

19) The Finance Committee will agree and adopt criteria for which WFP documentation it should review.

20) The members of the Committees will be countries not individuals but in nominating their representatives countries will be expected to propose representatives with the necessary technical qualifications, and:

- a) chairs will be elected by the Council on the basis of their individual qualifications and will not occupy seats of their electoral groups or represent a region or country (in the event of a chair falling vacant, the incumbent will be replaced by a vice-chair of the Committee elected by the Committee, until such time as a replacement can be elected by the Council);
- b) the membership of the Committees will each be increased, in addition to the Chair, to twelve representatives with each region having a right to up to two representatives each for Africa, Asia, Latin America and the Caribbean, the Near East and Europe and one representative each for North America and the South West Pacific nominated by the region and confirmed by the

- Council (countries may substitute their members for individual meetings or during the term of office, thus avoiding that a seat remains empty); and
- c) Committees, including joint meetings will be open to non-speaking observers.

Committee on Constitutional and Legal Matters (CCLM)

21) Membership:

- a) The members will be countries not individuals but in nominating their representatives countries will be expected to propose representatives with the necessary legal qualifications;
- b) The chair will be elected from amongst the CCLM members by the Council on the basis of his/her individual merit (in the event of a chair falling vacant, the incumbent will be replaced by a vice-chair of the Committee elected by the Committee, until such time as a replacement can be elected by the Council); and
- c) The Committee will have seven members with each region having a right to one member nominated by the region and confirmed by the Council (countries may substitute their members for individual meetings or during the term of office, thus avoiding that a seat remains empty).

22) The CCLM will be open to non-speaking observers.

Regional Conferences

23) The Regional Conferences will become Committees of the FAO Conference.

24) Functions will include:

- a) Develop issues for regional policy coherence and regional perspective on global policy issues and regulation – presenting its report to the FAO Conference; and
- b) Review and advise on the FAO programme for the region and the overall FAO programme as it affects the region – presenting its report to the Council through the Programme and Finance Committees.

25) Regional Conferences will be convened normally once in every biennium on the decision of the Members of FAO from the region and with full consultation among members on agendas, formats, dates and duration and need for the Conference.

26) Each Regional Conference will appoint a rapporteur. The Chair and rapporteur will remain in office between sessions and the Chair, or if not available the rapporteur, will present the Regional Conference report to the FAO Council and Conference (with consideration also by the Programme and Finance Committees as appropriate) in line with the new cycle of governing body oversight and decision making for the programme and budget process.

Technical Committees

27) The Committees will report to Council on FAO's budget and the priorities and strategies for the programmes, and directly to the FAO Conference on global policy and regulation, and will become Committees of the FAO Conference.

28) Chairs will remain in office between sessions and provide their reports to the Council and Conference.

29) Technical Committees will meet more flexibly, as to duration and frequency, according to needs, normally once in each biennium. They will address priority emerging issues and may be

convened especially for this purpose.

30) The Chair will facilitate full consultation with Members on agendas, formats and duration.

31) The Committee on Agriculture (COAG) will specifically include and devote adequate time in its agenda to livestock with a livestock segment.

Ministerial Meetings

32) The Conference or Council may call a Ministerial meeting when matters developed at a technical level need political endorsement or more visibility. The reports of ministerial meetings will normally be considered directly by the Conference.

Statutory Bodies, Conventions, etc.

33) Conferences of parties to treaties, conventions and agreements such as Codex and the IPPC (incorporated under FAO statutes) may bring issues to the attention of the Council and Conference through the relevant Technical Committee (Basic Text change).

34) Statutory Bodies, Conventions, etc. will be accountable to the FAO Council and Conference for the use of that proportion of their funding which is provided from FAO assessed contributions.

Improving the Effectiveness of FAO Governance

35) The Council, Programme and Finance Committees, CCLM, Regional Conferences and Technical Committees will each:

- a) prepare a multiyear programme of work of at least four years duration, once per biennium which will be reviewed by the Council and/or Conference (in accordance with their respective reporting lines); and
- b) prepare a report of their progress against the Programme of Work once every two years also for review by the Council and/or Conference.

Evaluation

36) The provisions for evaluation as approved by the Council in a Charter will be reflected in the Basic Texts.

Audit

37) The Audit Committee will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Finance Committee (DG). It will present an annual report to the Council through the Finance Committee.

38) The External Auditor will assume responsibility for audit of the immediate office of the Director-General in addition to the regular audits carried out by the Inspector-General.

The Director-General

39) In order to further transparency and communication, the Director-General will report to and dialogue with the Council and the Joint Meeting of the Programme and Finance Committees on the:

- a) Strategic Framework and Medium Term Plan priorities;
- b) Priority goals which senior management has established for immediate progress; and
- c) Annual and biennial performance.

- 40) The Basic Texts will stipulate that in line with the agreed principle of delegations of authority to the lowest appropriate levels, the Director-General may delegate final authority and responsibility in specific areas of work and action to designated officers and such delegations will be reflected in the FAO Manual and published job descriptions.
- 41) Candidates for the post of the Director-General will:
- a) address the Conference at which the election will be held. Members will have the opportunity to put questions to candidates (expenses of candidates will be covered from the FAO Budget); and
 - b) address a session of the FAO Council not less than 60 days prior to the Conference at which the election will be held. At that session both Members and observers to the Council will have the opportunity to put questions to candidates (the meeting with candidates is for information only and no recommendation or conclusion of the discussion will be made - expenses of candidates will be covered from the FAO Budget).
- 42) Nominations by Member Governments of candidates for the post of Director-General will close at least 60 days prior to the above Council session.
- 43) When the post of Director-General is due to become vacant it will be publicised, no less than 12 months before the closure of nominations, noting that all nominations remain fully the responsibility of Member Countries.
- 44) The FAO Conference will consider for approval desirable qualifications for the post of Director-General developed by the CoC-IEE in 2009.
- 45) The period of office of the Director-General will be changed to four years with possibility of renewal for one further period of four years.

Programing, Budgeting and Resource Mobilization

- 46) Programme and Budget Documentation which can be presented:
- a) Strategic Framework with 10 to 15 year time horizon, reviewed every four years;
 - b) Medium Term Plan with four year time horizon reviewed each biennium;
 - c) Programme of Work and Budget covering a single biennium and reviewed each biennium; and
 - d) Implementation Performance Results Based Management Report, reviewed each biennium for the previous biennium.
- 47) Role of each Governing Body:
- a) Conference to meet in June of the second year of each biennium and make final decision on budget level and programme (the Results Framework) for the forthcoming biennium;
 - b) Council:
 - i) to meet at least two months before the Conference and provide a clear recommendation to Conference for its consideration on the Budget level and the Programme for the forthcoming biennium;
 - ii) to meet in the November of the second year of the biennium and decide any adjustments needed in the Programme and the Budget distribution for the forthcoming biennium in the light of the level of the assessed budgetary contributions decided by the Conference and the availability of extra-budgetary resources;
 - c) Programme and Finance Committees to make clear recommendations on considerations for the Council in making its recommendation to the Conference on the budget level.

- 48) The summary Programme of Work and Budget will be eliminated in view of the ongoing interaction of the Governing Bodies in the Programme development process.
- 49) Between Chapter transfers involving the Technical Programmes of the Organization will require the recommendation of the Programme Committee, as well as the Finance Committee and will normally be approved by the Council which will in future meet in short session after the Programme and Finance Committees.
- 50) In addition to existing roll-over provisions for capital account and TCP allow for roll-over of up to five percent of the assessed budget, between biennia.
- 51) Late payments and arrears:
- a) Annual review by the Council on the basis of a report from the Finance Committee of the situation of late payments and arrears; and
 - b) Prominently report on the FAO public website of the situation of timely payments and late payments and arrears by country.

Annex 3: Status Report on Management Early Actions during 2008 for IEE Follow-up

(FAO Management Paper)

1) “Early actions” are activities upon which the Director-General has the authority to proceed prior to the Governing Bodies’ full review of the draft Immediate Plan of Action. Active management attention has been given to all early action activities to contribute to momentum on follow-up to the IEE. Early actions require communication and consultation, building confidence and engaging the Working Groups, staff bodies and staff at large. Some also require changes to procedures, reprogramming of computer systems, expert consultants, staff training, testing and piloting of new processes. Despite these constraints, 80% of the 117 early actions are either completed (27%) or progressing normally (53%) toward their planned completion dates, whilst 20% of early actions are experiencing delays in implementation or are on hold, due to lack of funding or other reasons. Any early actions not completed prior to Conference 2008 will be included in the IPA, together with management actions arising from the Root and Branch review. A summary of early actions follows:

2) Improvements in Administration, as highlighted by the IEE, include activities that can be initiated by the Director-General. The first major activity was to start a Root-and-Branch review of the administration and support services. A consultant firm was selected to carry out the review in May 2008. The deliverable of the first stage of this review is a high level business model for the delivery of the Organization’s outputs at HQs and in decentralized offices. This was delivered at the end of September 2008. Following management and Governing Body consideration of this model, the consultant firm will continue with the second stage to further develop the model, provide more detail on the organizational implications, develop the projects to implement the necessary changes, and provide a more detailed cost and savings assessment.

<i>ACTION</i>	<i>STATUS</i>
Root-and-Branch review (2 Stages)	Stage 1 (high level business model) – has been completed on target and is under consideration by management.
	Stage 2 (detailed model development) – is due to start in mid-October and complete in April 2009

3) In the area of Human Resources, the IEE recommended the Organization align recruitment, staff development and promotion criteria into a coherent human resources policy framework. A strategy and policy on HR management was presented to the Working Group in April 2008, and a number of measures have been, or are being, introduced:

- authority for the appointment of Professional and National Officers was delegated to Heads of Departments, Regional and Independent Offices from April 2008;
- a 360° Performance Management approach is being piloted. This is central to Results-Based Management, linking individual staff work plans to corporate objectives and is being introduced across the Organization, from DDG level downwards;
- a Human Resources Gender Plan of Action which integrates recruitment and retention of female staff with policies such as work-life balance has been developed;
- a policy paper for the introduction of a Junior Professional Programme has been developed and is being reviewed internally;
- a Staff Rotation Policy has also been developed and is currently under internal review;
- training funds have been redistributed according to the IEE recommendation for directing training resources to building staff skills in identifying and monitoring outcomes and results;
- the Joint FAO/IFAD/WFP Management Development Centre programme will be expanded from 2008 to cover staff exercising managerial responsibilities, expanding the programme to staff below Director levels.

<i>ACTION</i>	<i>STATUS</i>
Appointment of Professional and National Officers	Delegated to Heads of Departments/Offices in April 2008
360° Performance Management	Pilot started in April 2008 – organization-wide phased rollout envisaged to commence mid 2009
Gender Plan of Action	Draft plan is under review following preliminary consultations with stakeholders
Junior Professional Programme	Policy drafted and under internal review
Staff Rotation Policy	Policy drafted and under internal review
Distribution of Training Funds	Training funds redistributed in line with IEE recommendation
Management Development Centre	Programme expanded to cover staff below Director levels but with managerial responsibilities

4) In the Finance area, adoption of International Public Sector Accounting Standards (IPSAS) was recognized as a pre-requisite for the Harmonization and Reform of Business Practices in the UN system and will be used to improve effectiveness in financial accounting, financial management and decision support systems. Management has recognized the significant dependency of the project timeline on the availability of required internal human resources throughout FAO during the period 2008-09 in an environment where there are a number of significant competing Organization-wide initiatives. In recognition of this risk, the achievability of the originally targeted implementation date of 2010 for initial IPSAS compliance is currently under review by the IPSAS Project Board.

<i>ACTION</i>	<i>STATUS</i>
Adoption of IPSAS (International Public Sector Accounting Standards)	Ongoing - the original target implementation date of 2010 is currently under review by the Project Board due to competing Organization-wide initiatives.
Proposals for Roll-Over of Funds	Ongoing – The Finance Committee at its 123rd Session in October 2008 supported in principle a ‘carry forward’ mechanism to mitigate the financial management risks of support cost income and requested the secretariat to present a proposal for consideration at its session in May.
Continue funding long term after-service liabilities	Ongoing –The Finance Committee has been presented with updated reports on the Organization's staff-related after service liabilities and funding shortfall. The FC will review the 2008 actuarial valuation at its May 2009 session and make its recommendation to Council for funding the Organization’s after service liabilities in 2010-11.

5) Culture Change is an area of particular attention and a consultant was recruited to advise the Organization on process. An external Advisor is facilitating the work of the Change Team formed in September 2008.

<i>ACTION</i>	<i>STATUS</i>
Culture Change Process	Change Team established September 2008 and has commenced its work.

6) Early actions relating to FAO Vision and Programme Priorities have secured the preparation of an integrated results-based management framework that shifts the Organization’s focus from what it intends to do with assessed contributions to what it intends to achieve through the application of assessed contributions and extra-budgetary resources. The framework provides a strong basis for

“Reform with Growth”, prioritising and focusing work in line with Members’ needs, clarifying the means-ends relationships through which FAO will contribute to agreed impacts in, and for, member countries, through a hierarchy of Global Goals, Strategic Objectives, and Organizational Results, along with Core Functions being the critical means of action to be employed by FAO to achieve results, drawing on the Organization’s comparative advantages.

7) Management has actively supported deliberations on the substance of the results hierarchy through preparation of succinct draft strategy papers covering crops, livestock, fisheries, forestry, capacity building, results-based management, resource mobilization, partnerships, knowledge management, advocacy and communication, basic data and statistics, investment support, emergencies and rehabilitation, assistance to policy and strategy and economic, social and food and nutrition policy, gender mainstreaming and women’s empowerment, environment, climate change and natural resources management. This has enabled the Conference Committee to recommend approval of the integrated results-based management framework and three Global Goals, and approval in principle of eleven Strategic and two Functional Objectives, and eight Core Functions.

8) More comprehensive strategy documents are being elaborated to underpin the preparation of the full Medium Term Plan in 2009. For the Core Functions, these include: a Strategy for strengthening Basic Data and Statistics taking into account the recent Independent Evaluation of FAO’s work in this area; a Strategy on Partnerships providing guidance to FAO units and partners, focusing on lessons learned from existing collaborative arrangements and success factors; a Corporate Knowledge Management Strategy within the Organization, with Members and external partners; and, a new FAO Corporate Communication and Advocacy Policy and Strategy.

9) In terms of elaborating the Strategic Objectives and the underlying Organizational Results, the strategic planning process for Fisheries and Aquaculture is progressing according to plans in 2008, whilst a revised draft FAO Strategy on Forestry was elaborated during 2008. Development of cross-cutting programmes on Climate Change, Environmental Monitoring and Assessment and Bioenergy began this year, partnering with other UN agencies. A Strategy for Support to Investment is being prepared, involving consultations with all stakeholders, and identifying new areas of work. All Special Programme for Food Security pilot projects will be phased out in 2008, with support shifting to broader national and regional programmes for food security. The share of central resources for Gender Mainstreaming and Women’s Empowerment has been increased. Work on nutrition is being refocused away from community level to institutional capacity building and integration of nutrition policy in food and agriculture policy. Initial steps have been taken to forge a new cooperative arrangement for joint work with the International Atomic Energy Agency (IAEA).

<i>ACTION</i>	<i>STATUS</i>
Integrated results-based programming framework	Framework approved in principle by CoC-IEE, pending endorsement of 2008 Conference.
Core Functions	Approved in principle by CoC-IEE; pending endorsement of 2008 Conference. To further elaborate and finalize for the 2009 Conference.
Strategic Objectives and Functional Objectives	Approved in principle by CoC-IEE; pending endorsement of 2008 Conference. To further elaborate and finalize for the 2009 Conference.
Organizational Results	Significant progress made in defining Results and their targets and indicators. To further elaborate and finalize for the 2009 Conference as part of MTP 2010-13 and PWB 2010-11.
New cooperative arrangement for joint work with IAEA	To be finalized during 2009 in preparing and agreeing the full Medium Term Plan 2010-13 and Programme of Work and Budget 2010-11

10) Regarding collaboration with the UN system and external partners, draft strategies are being prepared for UN partnerships; Rome-based Agency collaboration; and further work includes engagement with civil society and the private sector, the World Bank and International Financial Institutions (IFIs), the Consultative Group on International Agricultural Research (CGIAR), and the World Organization for Animal Health (OIE). These are all based on the corporate strategy on partnerships.

<i>ACTION</i>	<i>STATUS</i>
UN Partnerships	A strategy is being prepared.
Rome-based Agency collaboration	A joint strategy is being prepared.

11) In supporting developing countries, increased attention and priority has been given to National Medium-Term Priority Frameworks (NMTPFs) for Least Developed Countries (LDCs) in Africa. In the eight “Delivering as One” pilot countries, NMTPFs have been prepared with the active participation of government and non-government actors and development partners and integrated into the UNDAF common process. An evaluation of NMTPFs will be completed in 2009. Preparation of national and subregional priority frameworks, and related work programmes for subregional MDTs is underway. Revision of the NMTPF guidelines and procedures for NMTPF formulation, management, coordination and monitoring reflecting the new aid environment and working modalities at the country level is ongoing and training sessions addressed to FAORs and decentralized officers have been delivered, and decentralization of Technical Cooperation Programme (TCP) administration is progressing through development of procedures, guidelines and training.

<i>ACTION</i>	<i>STATUS</i>
NMTPFs for LDCs in Africa	On-going; 5 NMTPFs have been completed in African LDCs and preparatory work has recently been completed for an additional 12 countries in this category as of September 2008.
Preparation of national and subregional priority frameworks	On-going support for additional countries. Roll-out countries for NMTPF preparation in 2008 include about 25 countries. Collaboration in place with the FAORs concerned. A regional NMTPF formulation was started in June 2008 for the Pacific region.
Decentralization of TCP administration	Subject to approval by the Conference in November of the system designed for TCP regional allocations and for the management of these allocations, the regional allocations will be introduced as from PWB 2010-11. The new arrangements for individual project approvals will be progressively introduced during the course of 2009 along with the development of procedures and guidelines, the strengthening of selected decentralized offices and the implementation of a training programme.
“Delivering as one” Pilot Countries	On-going. In the eight pilot countries where there has been a "Delivering as One" exercise, NMTPFs have been prepared under the leadership of the FAOR (with the exception of Albania where FAO is a non-resident agency and the leadership has been taken over by the Subregional Office and Headquarters) and with the active participation of government, non government actors and development partners, and integrated into the common process. This continues in the context of UNDAF 2008 along with training and preparation for joint programming.

12) With regard to governance and oversight, the Office of the Inspector-General (AUD) will complete a comprehensive assessment of the Organization's current risk management approach. The Audit Committee has been reconstituted entirely of external members in 2008. An External Peer Review of the internal audit function was completed in 2007 and will be carried out every five years. A revised Charter for the Office of the Inspector-General, clarifying the Inspector-General's direct access to the Finance Committee, will be issued after review by the Finance Committee in October 2008. A draft Charter for the Office of Evaluation, providing the policy framework and institutional arrangements for an operationally independent and separate evaluation office in FAO, was considered by the Programme Committee in October 2008 and will be revised for further study by the Committee at its next session. Subject to approval by the 2008 Conference an Ethics Officer post will be established in 2009 as part of the HQ's restructuring. Rolling Multi-Year Evaluation Plans have been prepared since 2006, ensuring that evaluation meets the needs of Governing Bodies and Management, while covering all significant areas of work and areas of greatest risk. The Director-General will continue to hold interactive seminars on key issues of major interest to the membership.

<u>ACTION</u>	<u>STATUS</u>
Audit Committee	Implemented
External Peer Review	Implemented
Charter for the Office of the Inspector General	Revised Draft Charter. Presented to the Finance Committee in October 2008.
Charter for the Office of Evaluation	Draft Charter. Presented to Programme Committee in October 2008; revised draft to be further considered by the PC in 2009.
Establishment of Ethics Officer Post	Management has agreed to the establishment of the Ethics Officer post and the terms of reference for the post are being prepared by LEG and AUD.
Comprehensive assessment of Organization's current risk management approach	The contract for the risk management firm is at the final stage of clearance. The consulting firm should begin the review before end-2008.
Rolling Multi-Year Evaluation Plans	An Indicative Rolling Workplan of Strategic and Programme Evaluations for 2009-10 has been prepared and was presented to the Programme Committee in October 2008

Efficiency Savings

13) Management has also taken prompt action in response to the budgetary appropriations for 2008-09 voted by Conference in November 2007, which foresaw that savings and efficiency gains of USD 22.1 million (in addition to the USD 13.3 million in efficiencies already planned in the PWB) would need to be achieved during the biennium in delivering the Programme of Work. To encourage creative proposals and to provide seed money for developing promising new ideas, an innovation fund and financial incentive scheme has been put in place. As reported to the Finance Committee in May 2008 (document FC 122/12), FAO units have proposed innovative approaches which will generate USD 18.1 million in biennialized savings and efficiency gains¹³ in five broad areas outlined below, whilst the remaining USD 4 million required to reach USD 22.1 million will be identified during the biennium, including through the Root and Branch Review.

- *achieving lower costs of inputs* (USD 5.9 million) including: lower travel costs through a more cost-effective travel services contract; lower cost of entitlement travel benefits; transfer of local audit function; lower telecommunication costs using new technologies; lower costs of corporate

¹³ Biennialized refers to the aggregate savings over two years, starting as from the date of implementation

and desktop software under a new enterprise licensing arrangement; increasing the proportion of meeting documents and publications distributed electronically; and reduced electricity bills through an inter-agency tender;

- *streamlining of administrative and operational support processes* (USD 1.7 million) including: reducing the length of the Council by one day; and reduction of external storage costs;
- *selective delayering* (USD 3 million), under which thirteen D-level posts have been identified for abolition or downgrading at headquarters through consolidation and re-organization of current areas of work;
- *human resources input mix* (USD 5.2 million) aimed at increasing the proportion of non-staff resources used for delivery of the Programme of Work through identification of 19 professional and general service posts for abolition or downgrading in areas where similar services can be provided at lower cost by non-staff human resources;
- *increasing the funding base of the PWB* (USD 2.3 million) through further extra-budgetary resources including: 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 reviewing the support cost recovery policy, in line with the IEE recommendation 7.7, to ensure eligible costs are recovered.

*Annex 4: Resolution 5/2007: Follow-up to the Independent External Evaluation of FAO*¹⁴

THE CONFERENCE,

1. **Recalls** its Resolution 6/2005 in 2005 to undertake the Independent External Evaluation of FAO, with a view to “chart the way forward” for FAO.
2. **Welcomes** the IEE report which will provide the basis for Members’ decision making on an integrated package of reform with growth for the Organization. Welcomes also the Director-General’s Management Response “in Principle”, which will further assist Members’ decision making.
3. **Reaffirms** the global mandate of FAO for food, agriculture and the related natural resource bases and welcomes the renewed global emphasis on the important role of agriculture for the present and future wellbeing of all, stressing the importance of the Millennium Declaration and the major contributions which the Organization has to make in supporting the three agreed Goals of Member Nations as stated in the Strategic Framework:
 - overcoming hunger and malnutrition;
 - agriculture’s contribution to sustainable economic and social development; and
 - conservation and sustainable use of the natural resource base.
4. **Reaffirms** its political will and determination to seize this opportunity and to undertake early and well considered action for a programme of FAO renewal, in the overall context of UN system reforms.

The Conference decides to:

5. **Develop** an immediate plan of action and a Strategic Framework for FAO renewal after a systematic review of the IEE report and its findings and recommendations and the management response. The plan of action will address:
 - a) an FAO vision and programme priorities:
 - i) priorities and programme adjustments for the period 2009-2011; and
 - ii) a draft covering the major elements of a long-term Strategic Framework and a draft Medium Term Plan;
 - b) governance reform;
 - c) reform of systems, culture change and organizational restructuring:
 - i) institutional culture change and reform of administrative and management systems; and
 - ii) restructuring for effectiveness and efficiency.
6. In addressing each of the actions for reform, the Immediate Plan of Action will specify: the financial implications; targets to be achieved; timetable for implementation; and implementation milestones over the period 2009-2011.
7. **Convene** a special session of the FAO Conference in the latter part of 2008, immediately preceded by a shortened session of the Council. This special session of the Conference will provide for the

¹⁴ C 2007/REP

entirety of the membership to come together to discuss and decide upon proposals for an Immediate Plan of Action and make decisions on the budgetary implications.

8. **Establish** a time-bound Conference Committee under Article VI of the FAO Constitution, mandated to complete its work with the presentation of proposals for an immediate plan of action to the Special Session of the Conference in 2008. This Committee will be open to full participation by all Members of the Organization. It will strive for transparency and unity in its work and will collectively decide the final recommendations of the Committee to the Conference, arriving at its decisions to the maximum extent possible through consensus. It will conduct its work in all the languages of the Organization. The functions of the Committee, without prejudice to the statutory functions of the standing committees of the Council, are to:
 - a) recommend to the Conference proposals for the immediate plan of action as defined in paragraph 5 above; and
 - b) provide ongoing review and feedback on the implementation of all actions, including inter alia quick wins, being undertaken by the Director-General, on those areas of the IEE follow-up lying essentially within his authority, recognizing that some actions are subject to the provision of the requisite budgetary resources.
9. In order to maintain the necessary momentum in reaching agreement on an Immediate Plan of Action for FAO reform with growth, to request the Conference Committee to initiate its work in December 2007 and develop its working arrangements, indicative schedule of work and timetable of deliverables before the end of January 2008. Considering that the special session of the FAO Conference should be held no later than November 2008, the Conference requests the Committee to Provide a progress report by 1 May 2008 and its final report before the end of September 2008, and give early attention to:
 - a) a detailed review of the IEE report, including each of the IEE recommendations, in order to develop preliminary conclusions to guide the further work of the Committee;
 - b) development of information requirements for decision making, including requirements from the Secretariat to assist the Governing Bodies in arriving at conclusions on each of the areas referred to in clause 5 above;
 - c) providing guidance for: drafting any agreed governance reforms requiring consideration by the Committee on Constitutional and Legal Matters (CCLM); such in-depth studies as may be required; and any immediate proposed adjustments in such areas as the programme of work and budget during 2009, administration, human resources and organizational structure; and
 - d) agreement on draft major elements of a strategic framework and Medium Term Plan; development of suggestions for further follow-up to be undertaken during 2009 and beyond; and any special arrangements of the Governing Bodies required for further development and implementation of a programme of FAO renewal.
10. **Appoint** Prof. Mohammed Saeid Noori-Naeini as Chair and Ms Agnes van Ardennevan der Hoeven and Wilfred Joseph Ngirwa as Vice-Chairs of the Committee. The Committee shall appoint its Bureau and co-Vice Chairs respecting regional representation. The meetings of the Bureau will be open to non-speaking observers and will address exclusively administrative and organizational matters.

The Conference further decides:

11. In the interests of efficiency, the Committee of the Conference will establish such task-defined working groups as it requires to prepare individual inputs for its consideration. The working groups will be made up of a maximum of three member country representatives per region. Meetings of the working groups will be open to observers from the whole of the FAO membership, ensuring transparency, and will conduct their work in all languages of the Organization. In order to assure

that all Members may be present at Working Group and Bureau sessions, no meetings will be held simultaneously with the same timings nor will they coincide with Bureau meetings. The chairs of the Committee, the Bureau, and the working groups will ensure that aide-mémoires are available to the FAO membership following each session. The Chairperson of the Committee will present its final report to the Special Session of the Conference.

12. FAO management will provide full support, as requested, to the workings of the Conference Committee, its Bureau and its working groups.
13. In conducting its work, the Conference Committee will decide when necessary to call on the Committees of the Council to give their advice on aspects of the reform process within their mandates.
14. The Conference recognizes the need for additional resources for the 2008-09 Regular Programme Budget of the Organization to fund the implementation of this Resolution, amounting to US\$4 million and provided for in Resolution 3/2007.

(Adopted on 23 November 2007)

*Annex 5: Bureau and Working Group Membership of the Conference
Committee for IEE Follow-up*

Chairperson Professor Noori Naeini (Independent Chairperson of the Council) Vice-Chairpersons Ambassador van Ardenne (Netherlands) Ambassador Ngirwa (Tanzania)				
	FAO vision and programme priorities	Governance Reform	Reform of systems culture change and organizational structure	Bureau
	WG I	WG II	WG III	
Chairperson Co-Chairperson	Vic Heard (UK)	Layma Al-Saqqaf (Kuwait), Natalie Feistritz (Austria)	R. Parasuram (India)	Professor Noori Naeni
Vice-Chairperson	Horacio Maltez (Panama)		Rita Mannella (Italy)	Ambassador van Ardenne (Netherlands) Ambassador Ngirwa (Tanzania)
Africa	Cameroon	Angola	Ethiopia	Eritrea
	Ivory Coast	Congo (Rep.)	Gabon	
	Zimbabwe	Nigeria	Egypt	
Asia	China	Sri Lanka	Malaysia	Pakistan
	Viet Nam	Indonesia	Thailand	
	Japan	Pakistan	Philippines	
Europe	Germany	Poland	Belgium	France
	Sweden	Portugal	Netherlands	
	Switzerland	Russian Federation	Finland	
Latin America & the Caribbean	Colombia	Argentina	Brazil	Brazil
	Cuba	Brazil	Guatemala	
	Paraguay	Dominican Republic	Mexico	
Near East	Egypt	Jordan	Oman	Afghanistan
	Iran	Syria	Sudan	
	Afghanistan	Egypt	Libya	
Northern America	Canada	Canada	Canada	
	USA	USA	USA	USA
South-West Pacific	Australia	Australia	Australia	Australia
	New Zealand			