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## CONFERENCE

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### INTERIM REPORT ON THE TRIENNIAL COMPREHENSIVE POLICY REVIEW (TCPR) OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM

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### *Executive Summary*

This report is prepared in response to FAO Conference resolution 13/2005 (para. 3) on the *Implementation of United Nations General Assembly (GA) Resolution 59/250<sup>1</sup> on the Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System (TCPR)* which requests the Director-General of FAO to take appropriate actions for the full implementation of General Assembly resolution 59/250 and to submit an interim report to the Conference.

The report illustrates FAO's approach to the implementation of the TCPR which includes:

- the interaction with interagency mechanisms such as the United Nations Development Group (UNDG), the United Nations System's Chief Executives Board for Coordination (CEB) and the United Nations Evaluation Group (UNEG);
- the measures of the FAO Reform that support and facilitate FAO's response to the requirements of the TCPR; and
- the pursuit of ongoing activities in the field of capacity building, gender, relief and rehabilitation, regionalization as well as evaluation that are also defined as priority areas in the TCPR.

The report confirms that FAO's Strategic Framework 2000-2015 is closely aligned with Millennium Development Goals (MDGs) 1, 7 and 8 and the basis for the Organization's programmes and projects, and notes that despite the demands of the TCPR for predictable, adequate, and sustained resources, FAO's Regular Budget, financed with assessed contributions, declined in real terms by 25% since 1994-95, while extrabudgetary contributions increased to a level nearly equivalent to the Regular Budget.

The report notes FAO's strong commitment to: (a) the common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) processes and the use of FAO's National Medium-term Priority Framework (NMTPF) as a suitable entry-point in these processes and (b) the effective functioning of the Resident Coordinator (RC) system. Moreover, FAO is pro-actively contributing to the dialogue within the UN system on common premises, harmonization of business processes, shared services, regional structures and cost-recovery policies.

The report notes the instruments developed by FAO (e.g. strategic partnership agreements, special fund for emergency and rehabilitation activities) to reduce dependence on earmarked voluntary funding and to provide multiyear financial frameworks. It also identifies the challenge to integrate the normative work of FAO in UN programming at national level, the need to clarify the resource mobilization role of the Resident Coordinator, and the continued uncertainty about the availability of predictable and programmable resources for Specialized Agencies to respond to priorities agreed through UNDAFs.

On the whole, FAO's response to the 2004 TCPR is significant and extensive, including actions in the following areas:

- (a) response of the decentralized offices to the call for an improved country-level capacity of the UN system; (b) emerging strategic approach to capacity building; (c) active involvement in system-wide initiatives of UNEG; (d) significant achievements in South-South Cooperation (SSC), where FAO has been instrumental in generating agreements with partner countries for the use of this modality; (e) relevance of regional dimensions of FAO's activities; (f) achievements in

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<sup>1</sup> Link to GA Resolution 59/250:

<http://daccessdds.un.org/doc/UNDOC/GEN/N04/491/26/PDF/N0449126.pdf?OpenElement>

the gender domain, in response to the Gender and Development Plan of Action (GAD PoA) 2002-2007; and (g) FAO's increasing involvement in transition from relief to development, with emergency and rehabilitation activities attaining primary importance.

## I. BACKGROUND

1. FAO Conference resolution 13/2005 requests the Director-General of FAO to take appropriate actions for the full implementation of General Assembly (GA) resolution 59/250 on the Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System (TCPR), recognizing the importance of the UN reforms and reaffirming the commitment of FAO Members to support system-wide coherence by implementing current reforms aimed at more effective, efficient, coherent, coordinated and better-performing UN country presence.
2. The Secretariat's response to this resolution is closely linked to the reform, approved by the 33rd Conference in November 2005 and subsequent sessions of the Council. It also takes account of FAO's involvement in the three main interagency mechanisms for the implementation of the TCPR: the UNDG, CEB and UNEG<sup>2</sup>, and their subsidiary working groups.
3. UNDG has a key role in guiding the functioning of the UN system at country level, operating through a complex structure of interagency arrangements. In addition to meetings at the level of the executive heads and the Support Group, its main activities as they relate to the TCPR, are handled by three working groups: the Programme Group, the Management Group and the Resident Coordinator Issues Group (RCIG), which in turn oversee respectively 14, 11 and 5 subgroups, working groups or task forces. FAO participates in these groups through staff designated as focal points.
4. The implementation of the TCPR resolution is also intertwined with the "Delivering as One" initiative, launched by the Secretary-General as a pilot process in response to the report of the High-level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment (HLP), pending its examination by the General Assembly. Although this initiative is not the subject of this report, many "Delivering as One" issues are closely related to the TCPR resolution.
5. The Technical Cooperation Department (TC) leads FAO's follow-up to resolution 13/2005, in collaboration with the Office of the UN Coordination and Millennium Development Goals Follow-up (UNC) and the Office for Coordination and Decentralization (OCD). An interdepartmental approach has been adopted in order to secure coordinated participation in UNDG efforts.
6. This document provides an interim progress report on the implementation of the 2004 TCPR by FAO. It proposes a way forward to make FAO's development support services and specialized knowledge available to member countries in a coherent and coordinated manner that meets their national development needs.

## II. THE IMPLEMENTATION OF THE 2004 TCPR IN THE CONTEXT OF FAO

### A. FUNDING OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT

7. Predictable, adequate and sustained funding for long-term development objectives are key concerns in the TCPR. However, its current language is more adapted to the requirements of funds and programmes and does not sufficiently take into account the specificities of the Specialized Agencies, including FAO, that do not have sufficient programmable resources at country level to fully respond to the priority assistance requests of member countries. FAO is

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<sup>2</sup> UNDG: United Nations Development Group

CEB: Chief Executives Board

UNEG: United Nations Evaluation Group

taking steps to address these issues, and is particularly challenged to ensure that its knowledge-based activities find a place in the new funding mechanisms being developed at country level.

***LINKING FUNDING TO MDGs (TCPR paragraphs 14-15)***

8. FAO's Strategic Framework 2000-2015 is closely aligned with MDGs 1, 7 and 8, and provides the rationale for the Organization's programmes and projects. During the first half of 2005, the FAO Secretariat undertook a survey of the contribution of its Regular Programme technical and economic programmes, and a sample of projects funded with extrabudgetary resources, to the MDGs. The review confirmed the high degree of consistency of FAO's work with the Millennium Declaration and substantive alignment with those MDGs to which FAO's mandate relates. A total of 89% of FAO's substantive programmes, funded from both the Regular Programme (78%) and extrabudgetary sources (95%), directly address the goals. Over half of the total effort is directed to MDG 1 (extreme poverty and hunger); a significant proportion (about one-fifth) is directed to MDG 7 concerning environmental sustainability, and a lower, but still important, proportion to MDG 8 (global partnership on development), as it concerns agricultural trade. There are smaller direct contributions to MDG 3 (empowering women), MDG 2 (primary education), MDG 4 (child mortality), MDG 5 (maternal health) and MDG 6 (combating diseases). The review also concluded that important indirect effects were generated by addressing the reduction of hunger and malnutrition.

***REGULAR BUDGET AND EXTRABUDGETARY FUNDING (TCPR: paragraphs 16-18 and 20)***

9. FAO's biennial Regular Programme of Work and Budget (PWB) is funded from assessed contributions voted by the Conference, based on priorities defined in the six-year medium-term plan (MTP) and from other income managed closely with the Regular Budget Appropriation (e.g. Codex Alimentarius). FAO's activities are buttressed by extrabudgetary resources from voluntary contributions that fund work in direct support of the programme of work as well as technical and emergency assistance to member countries. The Regular Budget also includes the Technical Cooperation Programme (TCP), which is a demand-driven programme providing a catalyst for long-term changes while aiming at producing tangible and immediate results at the country level.

10. The Regular Budget Appropriation, financed by assessed contributions, is approved by the FAO Conference in the biennial PWB, based on priorities defined in the MTP. The medium-term plan provides a multiyear (six years) framework for FAO's strategic priorities and objectives, and includes indicative projections of regular budget resource requirements over three biennia.

11. FAO's Regular Budget has declined by 25% since 1994-95 in real terms. In a rapidly changing development assistance environment, FAO has been able to mobilize increased extrabudgetary voluntary contributions, which now make up almost half of the resources available to the Organization.

12. The main contributors to extrabudgetary funding for technical assistance activities are bilateral donors through the Government Cooperative Programme (GCP, 59%) and developing countries<sup>3</sup> through Unilateral Trust Funds (UTFs, 27%). Other contributors for technical assistance activities include the UN system (9%), the World Bank group (0.6%, excluding the activities of the FAO Investment Centre), regional development banks and other regional entities (2.7%) and, finally, the private sector and other entities (1.4%). Earmarking for specific areas of work and recipients varies considerably in these contributions, which are very light in strategic partnership agreements and very strong for most technical cooperation.

13. Voluntary contributions for emergency and rehabilitation have risen six fold, from US\$50 million in 2000 to US\$300 million from 52 different sources and continue at these levels in 2007.

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<sup>3</sup> The main contributors are Brazil, Gabon, Mexico, Nigeria, Saudi Arabia, South Africa and Venezuela.

While most contributions remain earmarked, since 2004 about 5% of them have been allocated to the Special Fund for Emergency and Rehabilitation Activities (SFERA) with thematic and campaign earmarking only.

***THE WAY FORWARD (TCPR: paragraphs 21 and 24)***

14. FAO's approach to extrabudgetary resource mobilization is still more guided by pre-existing patterns of cooperation with partners than by a comprehensive assessment of anticipated needs. Ongoing changes in the development assistance environment offer an opportunity to address this issue in line with the recent comparable experience of UN specialized agencies (ILO, UNESCO, and most notably WHO), which have, to varying degrees, begun to implement resource mobilization strategies based on total resource requirements (assessed and voluntary contributions), addressing global challenges as well as local needs in a results-based framework.

15. Only if it has adequate and predictable funding, can FAO fulfil its multiple roles as a knowledge organization that, on the one hand, helps its membership to develop and apply norms and standards, to agree on common regulatory and policy frameworks and, on the other hand, applies its knowledge to support developing countries in developing their own national capacities. At the same time, experience gained in country-level applications of normative work can generate a positive "feedback" that may be of benefit for the global analytical and normative work of the Organization and its quality. In this context, the following issues remain to be resolved: (i) how can FAO obtain predictable funding levels commensurate with its agreed contribution to national priorities and programmes? (ii) how can it mobilize resources in the context of "Delivering as One" for normative activities at country level? and (iii) how can it access funding to provide country-level technical services in those areas that are not directly covered by UNDAFs? The GA resolution 59/250 is silent on the last two points.

16. FAO is developing practical tools for multiyear financial frameworks aimed at mobilizing longer-term and less conditional funding. These include Strategic Partnership Agreements (SPAs) with several donors to provide flexible funding for interdisciplinary action within broad country-level development initiatives and the SFERA that is designed to expedite rapid response to emergencies. Both mechanisms limit the earmarking of donor funds and promote a programme approach. Several international commissions and treaties hosted by FAO have prepared multiyear programmes of work to guide the contributions of partners. These form the basis not only for resource allocations by FAO to the core work of these bodies but also for voluntary contributions to both the core work of the Organization and to an extension of their impact through technical assistance.

17. The new aid environment (appearance of global funds, shift to country-level resource mobilization, direct budget support, sector-wide approaches (SWAs), country-level pooled funding for joint programmes, and expectations for integrated funding of UN resources around the UNDAF and One UN Programme) is beginning to have a major impact on the way resources are mobilized. The UTF modality could be the channel through which the Organization's normative and operational capacities could be made more widely available to member countries, while supporting national efforts to attract resources to the agriculture sector. At the same time, the increasing use of joint programming mechanisms (as the Joint Assistance Strategy [JAS]) and growing reliance on government-led analytical work pose challenges to FAO in obtaining funds and carrying out its core knowledge and capacity development work.

18. In response to these emerging trends and challenges, FAO aims at developing a more coherent resource mobilization strategy which would better link FAO's objectives and attendant resource requirements to various sources of funding. It would be based on the prioritized programmes and expected results agreed by the membership for action at global, regional, and country levels. Under this approach any earmarking of pipeline voluntary contributions to specific activities and beneficiaries would need to be guided by an agreed framework and transparent process, allowing some flexibility to apply resources to support priority programmes, funding gaps and emerging issues.

## **B. CCA AND UNDAF PROCESSES AND THE FAO PERSPECTIVE**

**TCPR requirements:** paragraphs 43 through 52

**The response of FAO:**

### ***PARTICIPATION IN THE CCA AND UNDAF***

19. A quick survey among FAO Representatives, undertaken in June 2007, indicated that they were involved in, or associated with, the CCA and UNDAF processes in 72 countries. Where already launched, the introduction of National Medium-term Priority Frameworks (NMTPF) and the availability of additional resources through the TCP Facility for FAO Representatives facilitated their participation in country-level activities of the UN Country Team. The establishment of the Multidisciplinary Teams (MDT) in several subregional offices is expected to enhance the technical support available to the substantive country level dialogue.

20. FAO has been able to influence the content of UNDAFs particularly in those cases where FAO Representatives assumed a lead role, e.g. as chairs of technical working groups. However, the financial and human resource limitations of FAO's decentralized offices will continue to be a constraint to a more pro-active and substantive participation in these activities.

### ***RELEVANCE OF THE CCA AND THE UNDAF TO FAO WORK***

21. In several cases FAO's involvement in the CCA and UNDAF processes helped the UN system and the host country to acknowledge the potential role of agriculture and the rural sector as a prime engine for rapid and broad-based pro-poor growth. Agriculture and rural development were explicitly indicated as thematic priorities of the CCA in 11 countries, and food security and malnourishment in 16 of the 57 countries where the CCA has been prepared.

22. The focus of the CCA and the UNDAF on a limited set of priority areas, as required by the UNDAF guidelines that were valid up to end 2006, often resulted in a selective reading of the MDGs by the UN Country Teams in favour of the social sectors at the expense of attention for vital pro-poor economic growth. In order to highlight the importance of the productive sectors, FAO actively participated in the revision of the UNDAF guidelines that now provide scope for a change in the selection of priority areas.

23. FAO cannot currently count on assured multiyear programmable resources to programme its country-level assistance and depends on ad hoc mobilization of extrabudgetary resources for funding its cooperation through the project modality, which are related but currently not integrated into the UNDAF.

24. FAO is also engaged in a dialogue together with other Specialized Agencies, within the framework of the UNDG, to clarify the perceived dichotomy between strategic focus of the UNDAF and the requirement for inclusiveness. FAO emphasizes that national ownership and national development priorities must channel the UN system's assistance to its Members, and that modalities must be in place to enable Member States to access the specialized knowledge of Specialized Agencies to address their development priorities.

### ***THE WAY FORWARD***

#### ***a) UNDAF and NMTPF***

25. In July 2005, FAO introduced the National Medium-term Priority Framework as a planning and management tool to outline how FAO can best assist a country in meeting its development priorities. Its main objective is to build consensus among Member Governments (in particular the technical ministries with mandates related to that of FAO), their development partners and the UN Country Team (UNCT), on their priorities for FAO support through a consultative process, based on FAO's comparative technical advantages and strengths.



26. Since September 2005, the NMTPFs have been launched in 29 countries, of which 15 have been completed.

27. The NMTPF is being used as FAO's entry point into the UNDAF, particularly within the framework of "Delivering as One" pilots. In the absence of assured programmable resources for FAO's work at country level and so as not to prejudice joint programming with the UNCT, the NMTPF focuses on outlining broad assistance priorities, for eventual subsequent integration with UNDAF, instead of defining a country programme. The question of how to resource high-priority FAO assistance that was included in the NMTPF, but not in the UNDAF, is still unresolved.

**b) UNDAF and country-level funding**

28. The introduction of the Delivering as One initiative, combined with the transfer, by several donors, of the authority to take funding decisions on development cooperation to the country level, has generated an expectation that the UNDAF may evolve into a unified funding mechanism for the entire UN system.

29. One of the major challenges for FAO (and the other Specialized Agencies) is to ensure that agency-specific priorities (such as normative and standard-setting issues) are adequately reflected in the UNDAF priority areas that are agreed by the UN Country Team, the Host Government and its development partners or that alternative mechanisms and funding for such work are available to countries. It is not yet clear whether the UN Resident Coordinator (RC) will have the capacity to mobilize additional resources to support agency-specific priorities that are not included in the UNDAF. FAO needs to be associated from the outset, with its present mechanisms for resource mobilization, with the UNDAF process.

**C. COUNTRY-LEVEL COORDINATION AND RESIDENT COORDINATOR SYSTEM (RCS)**

***FAO AND THE RESIDENT COORDINATOR SYSTEM***

**TCPR requirements:** paragraphs 53 - 61

**The response of FAO:**

**a) *Providing support to the Resident Coordinator system***

30. FAO is committed to provide full support to the Resident Coordinator system and is actively involved in all initiatives that the RCs promote. Given FAO's budgetary situation, it cannot respond favourably to the request in the TCPR to provide financial support to the RC system unless the international community is willing to provide these resources either through additional assessed or voluntary contributions.

**b) *System-wide ownership of the Resident Coordinator system***

31. FAO is an active member of the various undg Working Groups including the RC Issues Group. A key outcome of the RCIG was the draft accountability framework for the Resident Coordinator as required by para.58 of resolution 59/250.

32. The 2004 TCPR highlights system-wide ownership of the RC system. The RCS should be the neutral mechanism through which the UN system pursues system-wide objectives in a coherent and harmonized manner, in full respect of the principles of aid effectiveness and the mandates of each member organization, capable of solving internal conflicts, avoiding duplication and overlap in a balanced, impartial and fair way.

33. FAO sees value in an RC who is accountable towards the UN system with due regard to the substantive and technical mandates of each organization, performing his/her functions in a collegial, transparent, participative, impartial and inclusive manner in dealing with important system-wide issues such as CCA and UNDAF, joint resource mobilization and allocation.

34. An important issue yet to be resolved is the potential for conflict of interest that arises if the function of the RC and UNDP Resident Representative (UNDP RR) are performed by the same individual, mainly because the RC is expected to mobilize resources, under the “Delivering as One” model, for the activities of the UN system as a whole, rather than for the programme supported by only one agency. In this context, the approach proposed in para. 60 of resolution 59/250, calling on UNDP to appoint, in some cases, a UNDP Country Director to manage UNDP core activities separately from the RC functions, will not be sufficient to avoid conflicts of interest.

**c) *Participation of FAO in the Resident Coordinator system and the cost of coordination***

35. The cost of coordination activities of the RC system should be closely monitored. This points to the need for a “light” coordination system that focuses on essential strategic issues while providing leeway for agency-specificity within a common framework. Coordination should facilitate and not be at the expense of substantive work. It should level the playing field to give all UN organizations the same opportunity to contribute their competence and knowledge to the achievement of national development priorities.

**d) *The fund-raising role of the Resident Coordinator***

36. *Para. 61 of resolution 59/250 explicitly requests that, when raising funds, RCs should concentrate on raising funds for the whole of the United Nations. The RC may thus become the pivotal person for joint resource mobilization around a common programme and budget within the Delivering as One initiative. This should probably not become the sole form of resource mobilization for the UN system at the country level, as resource mobilization for agency-specific activities – in particular to support member countries with norm- and standard-setting work – will continue to be necessary.*

### **TRANSACTION COSTS AND EFFICIENCY**

**TCPR requirements:** paragraphs 34 – 40

**The response of FAO:**

37. The vigorous pursuit of efficiency savings has been, since 1994, and remains a high priority. Increased decentralization allows the Organization to improve its services at the country level while reaping some cost savings. This has been accompanied by increased delegation of administrative responsibilities to the country level – in terms of financial authority, procurement, recruitment and provision of assistance at the local level – and streamlining of administrative processes.

38. FAO has been actively engaged in the discussions within CEB/High-level Committee on Management (HLCM) and UNDG on reducing transaction costs and pursuing efficiencies, also in the context of the *Delivering as One* initiative.

#### **(1) *DELIVERING AS ONE PILOT PROCESS***

39. Efforts so far have focused on improvements relating to the programming methodology with the aim of achieving One UN Programme and One UN Budget at country level. Achievements towards the One Office should follow. These new modalities, which may involve the grouping of all administrative support within one business centre of the UN system, could generate significant transition costs and require many adjustments.

#### **(2) *COMMON PREMISES***

40. Currently FAO shares premises with the UN system in 21 countries. Common premises are pursued if the arrangement is cost-effective. In more than half of the countries with FAO offices, the premises are provided free-of-charge by the host government, often located in the premises of FAO’s counterpart ministries to facilitate knowledge sharing. In such cases, the use of UN common premises may carry additional costs to the Organization.

(3) *HARMONIZATION OF RULES AND PROCEDURES*

41. The harmonization of rules and procedures is primarily taking place through the work of HLCM. An action plan of business process simplification and harmonization is being prepared by HLCM in support of the High-level Panel report "Delivering as One", based on the proposals from the Information and Communications Technology (ICT), Finance and Budget, and Human Resources networks. The most significant initiatives are: adoption of the International Public Sector Accounting Standards (IPSAS), development of common policies on interagency mobility, participation in the Inter-Agency Procurement Working Group, and establishment of the Medical Directors' Group.

(4) *INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS*

42. The UNDG working group on information technology (IT) and the HLCM ICT Directors' Network is involved in Enterprise Resource Planning (ERP) Systems, ICT Common Services (UN Data Centres and global UN Telecommunications facility), harmonization of ICT business practices through the use of internationally recognized standards, UN system global directory, UN System Portal and regional interagency shared services centres. FAO was the principal author of the UN System ICT strategy paper, and the UN System Information Systems (IS) Security Common Approach adopted by the GA.

43. At the country level, FAO has worked at the system level but has not entered into systematic arrangements for the local sharing of services. Being a knowledge organization, information systems and technology are not only a "support service" but often have a programmatic content. There are instances when FAO uses materials and services of other UN organizations and shares information technology, data standards, portals and Web sites.

44. In telecommunications, FAO is an active participant in the Inter-agency Telecommunications Advisory Group and is a large-scale user of UN System umbrella contracts, but has not systematically entered into arrangements for the local sharing of services. In nearly all common-premises locations, however, sharing of telephone systems and Internet access is in place.

45. A significant problem in the information technology and telecommunication areas is that ERP and communication technology systems are built for vertical efficiency, facilitating the communication between headquarters and the field. Shifting the structure to a horizontal efficiency will require a major change in technology infrastructure.

(5) *OTHER SHARED SERVICES*

46. The cost-effectiveness of shared services at the country level for such services as travel and banking is evaluated on a case-by-case basis, and FAO participates in joint service contracts in a number of countries. Common UN services exist for security and FAO participates in the country-level UN Security Management System Teams.

(6) *HARMONIZATION OF REGIONAL STRUCTURES*

47. The FAO reform led to the reconfiguration of Regional Offices to focus more on region-wide issues and to the establishment of new subregional offices in Africa, Europe, Central Asia and soon also in Central America. It also entailed a redefinition of the responsibilities of, and relationships between, headquarters and decentralized offices. Proposals for expanding the reform to other regions are under consideration by FAO's Governing Bodies.

(7) *COST RECOVERY*

48. FAO aims at full recovery of direct and indirect variable costs of providing administrative and operational support under extrabudgetary resources in line with the policy and methodology approved by its Governing Bodies. Recovery remains below cost of services and the Organization is both reducing the cost of support services and realigning support cost rates. FAO actively

participates in the HCLM mechanisms aiming at harmonizing support cost recovery policies and rates among UN agencies, funds and programmes.

49. Under the Delivering as One pilots, FAO is being challenged to reduce its support cost rates while at the same time fulfilling its requirement to fully recover related costs. Innovative mechanisms will be needed to adapt to the evolving means of delivering programmes and projects funded by extrabudgetary resources at country level.

#### ***COUNTRY-LEVEL CAPACITY OF FAO AND THE UN COUNTRY TEAM***

**TCPR requirements:** paragraphs 62 – 65

#### **The response of FAO:**

50. A basic principle of the TCPR (para. 62) is that the country-level presence of the United Nations system should be tailored to meet the specific development needs of recipient countries.

51. Within the framework of the FAO reform, the Organization has begun to establish a more decentralized operating model. In the regions covered by the reform (i.e. in Africa, Europe, Central Asia and Latin America and the Caribbean), regional offices focus on region-wide priorities while subregional offices address subregional priorities and provide technical support to the countries in the subregion. In addition to their country assignments, FAO Representatives devote a portion of their time as members of the subregional multidisciplinary teams.

52. The FAO country offices are designed to fulfil essential functions of the Organization as a catalyst, a provider as well as a portal to FAO services, adapting to country situations according to identified needs and priorities and availability of extrabudgetary resources and the government's priorities.

53. With improving information and communications technology, country offices are ever more integrated into internal information and knowledge sharing. FAO Representatives have been entrusted with important functional responsibilities for developing, promoting and overseeing FAO's strategies for addressing country priorities. In the reform regions, they will have access to most of FAO's expertise located in the subregional office, while regional offices and headquarters provide any remaining expertise that is not available at the subregional level.

54. Country offices are financed through the regular budget of FAO, whereas FAO's technical cooperation activities at country level rely on the availability of extrabudgetary resources, except for the modest support of the TCP and the Special Programme for Food Security (SPFS).

### **D. OTHER AREAS OF IMPLEMENTATION OF THE TCPR OF RELEVANCE FOR FAO**

#### ***CAPACITY BUILDING***

**TCPR requirements:** paragraphs 26 – 33

#### **The response of FAO:**

55. Capacity building is deeply rooted in FAO's mandate. The Organization is actively involved in the related work of UNDG and the High-level Committee on Programmes (HLCP). FAO can offer high-level technical expertise and assistance, given its wide range of specialized skills in agriculture and rural development. However, a key challenge for FAO is to integrate this expertise with cross-cutting, enabling competencies including managing and guiding of multidisciplinary teams, partnership management and negotiation skills, outreach and strategic communication.

56. The recently developed FAO integrated competency framework, a component of the Human Resource Reform Strategy, is being used to inform the current human resource

development programmes. However, this component along with a new performance accountability framework needs to be fully adopted and mainstreamed by FAO to further develop and support the evolving requirements of capacity building. Good practices in capacity building exist, often based on participatory approaches (e.g. Farmer Field Schools and Livelihood Support Programme).

57. In mid-2005, the Director-General called for renewed corporate attention to capacity building as a core function, and in January 2007 the Knowledge Exchange and Capacity Building Division (KCE) was established with a coordinating role in capacity building.

58. A shift in terminology, from capacity building to capacity development, has taken place in the international development community in recent years. National ownership is at the centre of the new interaction of FAO with its partners: the Organization is no longer seen as the implementer, the manager or the source of expertise, but rather as a source of external support to programmes essentially driven from inside the country.

59. In the new approach, capacity building is not an end in itself but a strategic approach aimed at strengthening the capacity of people, organizations and society as a whole to achieve their own goals in the field of agriculture and rural development. It is a strategic cross-cutting function across FAO's three main roles (normative, convening, and operational).

60. Opportunities are available to raise extrabudgetary resources specifically for capacity building, through a corporate strategy that capitalizes on its emerging role in new global issues (such as biotechnology, bioenergy, climate change, trade, biodiversity) and in emergencies. A consistent shrinking of Regular Programme resources may however become a serious threat to this capacity building role.

### *EVALUATION*

**TCPR requirements:** paragraphs 66 – 75

#### **The response of FAO:**

61. FAO is involved in all system-wide efforts currently under way in the area of evaluation of operational activities for development. The FAO Evaluation Service participates in the activities of UNEG, such as the formulation of norms and standards for UN system evaluations, adopted by UNEG in April 2005 and acknowledged by the Economic and Social Council (ECOSOC) in 2006. They are fully operationalized in FAO evaluation practice. FAO will participate in country-level evaluations organized by UNEG, which are expected to utilize the UNDAF results matrix. The first one is planned for South Africa this year. More will follow.

62. In response to a request of the Programme Committee, FAO has begun carrying out country-level evaluations of its own activities. The first two, in Mozambique and Sierra Leone, were completed recently and evaluations are currently under way for Cambodia and Honduras. Nationals participate in all these evaluations. FAO also participated with other UN agencies in Real Time Evaluation of the Tsunami crisis, and the Horn of Africa emergency. The Organization is now contributing to the initial work on evaluation of the eight Delivering as One Pilots.

63. Experience with country evaluations (e.g. in the case of Mozambique) shows that there are some problems related to the inclusion of FAO concerns in the UNDAF. In several cases, FAO is the only UN organization represented in the country intervening in an economic sector, whereas other organizations intervene in the social and humanitarian sectors only, with the exception of UNDP which has a broader mandate covering economic issues.

### *SOUTH-SOUTH COOPERATION*

**TCPR requirements:** paragraphs 79 – 85

#### **The response of FAO:**

64. FAO's experience in South-South Cooperation (SSC) is most extensive and has been further strengthened by the following two initiatives:

- a) Partnership programme involving "experts for technical cooperation among developing countries and countries in transition", launched in 1994, and
- b) A "South-South Cooperation" programme, initiated in 1997, and aimed at mainstreaming SSC in the Special Programme for Food Security (SPFS).

65. Some 39 SSC agreements have been signed since 1997. They foresee more than 2 500 SSC "cooperants" to be fielded (so far, more than 1 400 have been fielded). On 18 May 2006, FAO signed a letter of intent for a strategic alliance with China in support of the National Programme for Food Security (NPFS) and the Regional Programme for Food Security (RPFS), envisaging fielding up to 3 000 SSC "cooperants" from China over the next five years. Discussions are ongoing with other developing countries.

66. Some progress has also been made in the triangular cooperation with donors from the north, in two areas: (i) support to the direct costs of SSC (monthly allowances of SSC cooperants), and (ii) support to the SPFS/NPFS/RPFS (inputs such as equipment) where the SSC is operational.

### ***REGIONAL DIMENSIONS***

**TCPR requirements:** paragraphs 76 – 78

**The response of FAO:**

67. FAO provides a platform for intergovernmental consultation at the regional level by alternating its biennial FAO Conference, in non-Conference years, with Regional Conferences. These Regional Conferences identify the special problems of the respective regions and the priority areas to be taken into account in the Programme of Work and Budget for the next biennium as well as in longer-term programming. They examine the adaptation of the policy objectives of the Organization to the needs of the region concerned and undertake consultations on the means by which the countries in the region can help solve their own problems through the use of their own resources. They also address the volume and nature of the external aid required to implement food and agricultural development plans of countries in the region. They are a key forum for establishing a closer link with FAO's constituencies and for enhancing the quality and relevance of FAO's intergovernmental work.

68. Regional offices, with their focus on regional issues and region-wide institutions, substantively contribute to the formulation of regional strategies and policies and take the lead in the organization of FAO's Regional Conferences, periodically reporting on FAO performance in the region.

69. FAO has significant field programme activities at regional and subregional levels. Regional programmes/projects used to amount to slightly more than 7% of the total field programme related disbursements until the year 2003 and increased to 13% in 2006.

### ***GENDER***

**TCPR requirements:** paragraphs 86 – 91

**The response of FAO:**

70. The FAO Conference endorsed the Gender and Development Plan of Action (GAD PoA) 2002-2007 to strengthen FAO's commitment to gender equality and make gender considerations a key factor in its activities. The GAD PoA requires regular reports on the accomplishment of mainstreaming gender concerns in FAO's work (see also C 2007/16).

71. The GAD PoA recognizes the importance of building gender-sensitive strategies in FAO's work through more effective interdepartmental and interdisciplinary action. The Plan includes specific commitments, with measurable outputs and indicators developed jointly by the

Gender and Population Division, ESW and 24 divisions, involving all sectors of FAO plus the regional and subregional offices through regular communication and information exchange and through the presence of regional Senior Gender Officers. It represents an Organization-wide commitment, guaranteed by linking the Plan of Action directly to FAO's MTP. The Gender, Equity and Rural Employment Division (earlier known as the Gender and Population Division, ESW) acts as its corporate focal point. The renewal of GAD PoA is currently under preparation.

72. FAO's Project and Programme Review Committee requires that all projects and programmes be designed to "promote gender equality and equity through systematic compliance with FAO's stated commitment to and policy on mainstreaming a gender perspective into its normative and field activities".

73. FAO has nominated Gender Focal Points (GFPs) in all divisions and has also placed senior gender specialists in some regional offices in support of gender mainstreaming at the country level, but budget cuts may soon hinder their retention. The Organization provides capacity building to generate and collect sex-disaggregated data, prepare gender-sensitive censuses in agriculture and provide training in socio-economic and gender analysis.

74. Policy advice is provided through the development of national gender-sensitive plans in agriculture. Indicators on the gender mainstreaming currently used by FAO are almost exclusively quantitative and should be supplemented by qualitative data. Connection between gender mainstreaming commitments at the level of objectives and ultimate outcomes is still inadequate.

### ***TRANSITION FROM RELIEF TO DEVELOPMENT***

**TCPR requirements:** paragraphs 92 – 99

#### **The response of FAO:**

75. FAO's involvement in support of transition from relief to development is increasing. The total delivery of the emergency programme reached US\$200.7 million in 2006 as compared to US\$170.5 million in 2005, representing an increase of 18%. In 2007, delivery is expected to continue at a high level owing to the level of operations foreseen under the Avian Influenza response programme, the pursuit of the emergency and rehabilitation programmes in the Democratic Republic of Congo, Ethiopia, Iraq, Pakistan, the Sudan, Somalia, southern African countries and the anticipated level of response to other crises in Africa and Asia.

76. The Emergency Operations and Rehabilitation Division was established in 2002 and includes a unit responsible for intra-organizational and external coordination, that also serves as focal point for coordination with key partners including all IASC members and in particular the World Food Programme (WFP).

77. A fundamental instrument to facilitate rapid response by FAO and adequate programming of resource allocation in this area is the Special Fund for Emergency and Rehabilitation Activities, established in April 2004 with an input from FAO's own resources of US\$2 million. The purpose of this fund is to: (i) support FAO efforts in needs assessment, programme development and early establishment of emergency coordination units, (ii) advance funds to projects approved by donors and (iii) pool funds towards the overall objectives of a specific emergency programme.

78. The role of FAO in transition situations is to protect against further deterioration of agriculture-based livelihoods and to build back productive capacities so as to ensure sustainable recovery and avoid recreating the precariousness that existed before and contributed to the crisis.

79. About 80% of FAO's emergency and rehabilitation programme, apart from the emergency control of transboundary pests and diseases of crops and livestock, could be classified as rehabilitation.

## **E. THE WAY FORWARD**

### ***LOOKING AT THE 2007 TCPR AND THE UN REFORM***

80. The implementation of GA resolution 59/250 presented in this report shows that FAO is committed to collaborate closely with the rest of the UN system organizations in undertaking reforms and interacting with the other organizations of the UN System to enhance its impact on and its relevance for development as well as its effectiveness and efficiency. Many of the measures taken in response to the TCPR are, however, work in progress. Concerns still persist with regard to some of the issues, such as funding, the risk of conflict of interest for Resident Coordinators and the inclusiveness of UN programming at country level.

81. The spirit of GA resolution 59/250 on the TCPR has been the driving force for FAO's pro-active participation in the system-wide consultation concerning the functioning of country-level mechanisms such as the CCA and UNDAF, the RC system and the UN country teams. The constraints to the full implementation of all these mechanisms have been illustrated above. FAO is committed to the renewed efforts by the entire UN system for their fuller achievement, although a few provisions in GA resolution 59/250 need to be adapted to take account of the circumstances specific to Specialized Agencies.

82. FAO is committed to continue its efforts for a system-wide, participatory and inclusive approach to a more coherent and coordinated delivery of operational activities for development. Only with adequate, stable and predictable resources will the Organization have the capacity to respond effectively to the demand-driven nature of and full national ownership of its operational activities for development.

83. Thanks to the extrabudgetary resources generously contributed by the Government of Spain, FAO has been able to fully participate in the pilot process of the Delivering as One initiative, to test whether it can more cost-effectively and more coherently deliver on its basic mandate for the benefit of its members. The Organization therefore encourages the drive of the UN system for country-level coherence and effectiveness, based on the principles defined in the 2004 TCPR, namely national ownership and leadership.

84. Another challenge will be to transform the various methodologies and instruments (e.g. joint programming, joint programmes, UNDAF, Harmonized Approach to Cash Transfers [HACT], etc.) that will be developed and adopted during the Delivering as One initiative, into FAO guidance material, as well as to develop and implement appropriate capacity development concepts for FAO staff in all locations, including managers and technical officers.

85. The main concern articulated in this report is to ensure that the reform of the UN system at country level, aiming at enhanced coordination and coherence, creates the appropriate environment for developing countries to have effective access to the wide range of support services and specialized knowledge, including norm- and standard-setting capacities, that only the UN system, including the Specialized Agencies, can provide. In the end, the UN system must be more responsive to the national priorities of the member countries and more relevant to achieving the Internationally Agreed Development Goals, including the MDGs.



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**ANNEX I - RESOLUTION 13/2005**

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**Extract from Report of the FAO Conference, 33<sup>rd</sup> session,  
19-26 November 2005**

134. The Conference adopted the following Resolution:

**RESOLUTION 13/2005 - Implementation of United Nations General Assembly Resolution 59/250 on the Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System****THE CONFERENCE,**

**Welcoming** the 2005 World Summit Outcome and mindful of the call by Heads of State and Government for improved system-wide coherence made in the outcome document;

**Mindful** of the crucial importance of the United Nations reform process related, *inter alia*, to operational activities for development launched by the United Nations Secretary-General and aimed at both ensuring a better coordination of field-level activities and delivering services in a coherent and effective way;

**Further recognising** the need for better coherence and coordination of the operational activities of the UN System, and in this respect recognising the importance of the United Nations Development Assistance Framework in supporting national development efforts;

**Recalling** the adoption of United Nations General Assembly Resolution 59/250 on the Triennial comprehensive policy review of operational activities for development of the United Nations System;

**Reaffirming** its commitment to the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation;

**Reaffirming** that each country has primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized in the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty.

**Welcoming** recent efforts and initiatives to enhance the quality of aid and to increase its impact, including the Paris Declaration on Aid Effectiveness, reaffirms its resolve to take concrete, effective and timely action in implementing all agreed commitments on aid effectiveness, with clear monitoring and deadlines, including through further aligning assistance with countries' strategies, building institutional capacities, reducing transaction costs and eliminating bureaucratic procedures, making progress on untying aid, enhancing the absorptive capacity and financial management of recipient countries and strengthening the focus on development results;

**Reaffirming** the commitment of FAO Members to support system-wide coherence by implementing current reforms aimed at more effective, efficient, coherent, coordinated and better-performing UN country presence with a strengthened role for the senior resident official, whether special representative, resident coordinator or humanitarian coordinator, including appropriate authority, resources and accountability, and a common management, programming and monitoring framework.

**Welcoming** FAO's contribution to the achievement of the MDGs, as presented in paper "FAO and the Challenge of the MDGs: The Road Ahead";

**Recognizing** the vital contribution of FAO to the operational activities of the UN System at country level, and acknowledging FAO's active participation in the work of the United Nations Development Group;

**Recognizing** the importance of the operational and normative work of FAO and of strengthening the linkages between them (M+5 169):

**Reaffirms** the commitment of FAO Members to the work of the Organization, in accordance with and in full compliance with its mandate, as expressed in the Preamble and Article 1 of the FAO Constitution;

**Requests** the Director General of FAO to take appropriate actions for the full implementation of General Assembly Resolution 59/250 (59/250 is annexed to this Resolution). In particular its chapter II on funding for operational activities for development of the UN System; III on capacity building; IV on transaction costs and efficiency; chapter V on coherence, effectiveness and relevance of operational activities for development; VI on country level capacity of the United Nations System; VII on evaluation of operational activities for development; VIII on regional dimensions; IX on South-South Cooperation and development of national capacities; X on gender; XI on transition from relief to development and XII on follow-up;

**Requests** FAO Secretariat to submit to the Thirty-fourth Session of the Conference an interim report on the implementation of the present Resolution.

(Adopted on 25 November 2005)

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**ANNEX II - ACRONYMS**


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<b>TERM</b>	<b>DEFINITION</b>
<b>CCA</b>	Common country assessment
<b>CEB</b>	United Nations System's Chief Executives Board for Coordination
<b>ECOSOC</b>	Economic and Social Council
<b>ERP</b>	Enterprise Resource Planning
<b>ESW</b>	Gender, Equity and Rural Employment Division
<b>GA</b>	General Assembly
<b>GAD POA</b>	Gender and Development Plan of Action
<b>GCP</b>	Government Cooperative Programme
<b>GFP</b>	Gender Focal Point
<b>HACT</b>	Harmonized Approach to Cash Transfers
<b>HLCM</b>	High-level Committee on Management
<b>HLCP</b>	High-level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment
<b>IASC</b>	Inter-Agency Standing Committee
<b>ICT</b>	Information and Communications Technology
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IS</b>	Information Systems
<b>IT</b>	Information technology
<b>JAS</b>	Joint Assistance Strategy
<b>KCE</b>	Knowledge Exchange and Capacity Building Division
<b>MDG</b>	Millennium development goal
<b>MDT</b>	Multidisciplinary Team
<b>MTP</b>	Medium-term plan
<b>NMTPF</b>	National Medium-term Priority Framework
<b>NPFS</b>	National Programme for Food Security
<b>OCD</b>	Office for Coordination and Decentralization
<b>PWB</b>	Programme of Work and Budget
<b>RC</b>	Resident Coordinator
<b>RCIG</b>	Resident Coordinator Issues Group
<b>RCS</b>	Resident Coordinator system
<b>SFERA</b>	Special Fund for Emergency and Rehabilitation Activities
<b>SPA</b>	Strategic Partnership Agreement
<b>SPFS</b>	Special Programme for Food Security

<b>RPFS</b>	Regional Programme for Food Security
<b>SSC</b>	South-South Cooperation
<b>SWAPS</b>	Sector-wide approaches
<b>TC</b>	Technical Cooperation Department
<b>TCP</b>	Technical Cooperation Programme
<b>TCPR</b>	Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System
<b>UNC</b>	United Nations Coordination and Millennium Development Goals Follow-up
<b>UNCT</b>	United Nations Country Team
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDG</b>	United Nations Development Group
<b>UNDP RR</b>	United Nations Development Programme Resident Representative
<b>UNEG</b>	United Nations Evaluation Group
<b>UTF</b>	Unilateral Trust Funds
<b>WFP</b>	World Food Programme