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منظمة  
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# CONFERENCE

## Thirty-ninth Session

Rome, 6-13 June 2015

### Medium Term Plan 2014-17 (reviewed) and Programme of Work and Budget 2016-17 (Draft Resolution)

*Extract from the Report of the 151<sup>st</sup> Council Session (23-27 March 2015)*

#### Medium Term Plan 2014-17 (reviewed) and Programme of Work and Budget 2016-17<sup>1</sup>

5. The Council considered the Medium-Term Plan 2014-17 (reviewed) and the Programme of Work and Budget 2016-17 (MTP/PWB) and endorsed the recommendations of the Programme and Finance Committees and of their Joint Meeting.
6. Regarding the proposals to improve FAO's financial health, liquidity and reserves, the Council:
- a) encouraged the further active participation of the Secretariat in the UN Common System's search for an optimum and practicable solution to the complex matter of the After Service Medical Cost (ASMC) liability;
  - b) requested the Secretariat to continue in its efforts to contain the costs of medical insurance, including through changing FAO's cost-sharing arrangements of health insurance premiums between the Organization and plan participants; and
  - c) for the 2016-17 biennium, recommended that the Conference continue to follow the previously approved approach of partial funding of USD 14.1 million towards the ASMC past service liability.
7. Regarding the substance of the proposals in the MTP/PWB, and having considered the additional information provided by the Secretariat, the Council:
- a) underlined the importance of continuity in the strategic direction of the Organization in the Medium Term Plan;
  - b) supported the proposed Programme of Work and noted that further clarifications would be provided by the Secretariat for consideration by Members, including further information

<sup>1</sup> C 2015/3; C 2015/3 Information Note 1; C 2015/3 Information Note 2; C 2015/3 Information Note 3; C 2015/3 Information Note 4; C 2015/3 Information Note 5; CL 151/3 paras. 19-21; CL 151/4 para. 5; CL 151/5 paras.4-6; CL 151/PV/2; CL 151/PV/6; CL 151/PV/7

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- on how gender as a cross-cutting issue was reflected throughout the Programme of Work and Budget;
- c) appreciated the identification of proposed areas of emphasis, de-emphasis and savings and welcomed the proposed reallocation of USD 14.2 million to higher priority areas;
  - d) welcomed the proposal to source an additional USD 6.1 million in 2016-17 through extra-budgetary resources to be used exclusively to strengthen the TCP programme in support to Small Island Developing States, particularly to adapt to the effects of climate change;
  - e) supported the organizational restructuring proposals and emphasized the importance of consolidation of decentralization efforts in order to reinforce the holistic work of the Organization;
  - f) appreciated the proposal for a more proactive and tailored approach in respect of middle-income countries;
  - g) encouraged the continued use of partnerships to enable the Organization to leverage its comparative advantages; and
  - h) encouraged the continued review of capacity and location of human resources and skills mix for optimal delivery of the programme of work.
8. Regarding the budget level for 2016-17, the Council:
- a) welcomed the update of the cost increase estimates and the identification of areas for further savings and efficiency gains provided by the Secretariat;
  - b) agreed the funding of the proposed USD 6.1 million increase of the Technical Cooperation Programme (TCP) by, on an exceptional basis, extra-budgetary resources in 2016-17;
  - c) agreed that the TCP appropriation in the PWB 2018-19 would be in line with Conference Resolution 9/89 in order to make every effort to restore the resources available to TCP to the former level of 14 percent of the total Regular Programme budget;
  - d) appreciating that the transformational changes undertaken at FAO since 2012 had resulted in a more efficient and effective Organization, agreed on the importance of full flexibility for the Director-General in identification of unidentified further efficiency gains and savings;
  - e) recommended that Conference approve the draft Conference Resolution set out [*below*]; and
  - f) noted that the budget level contained therein would allow full delivery of the Programme of Work.

## **Draft Resolution for the Conference**

### **Budgetary Appropriations 2016-17**

#### **THE CONFERENCE,**

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

**Having considered** the proposed total net appropriation of USD 1,035,749,000 for the financial period 2016-17 at the 2014-15 rate of Euro 1= USD 1.30 which assumes US dollar and Euro expenditure equal to USD 546,399,000 and Euros 376,423,000;

**Having considered** that the above net appropriation is equivalent to USD 1,005,635,000 at the budget rate of Euro 1 = USD 1.22 established for 2016-17 after translation of the Euro portion;

1. **Approves** the Programme of Work proposed by the Director-General for 2016-17 as follows:

a) Appropriations are voted at a rate of Euro 1 = USD 1.22 for the following purposes:

|  | <b>USD</b>           |
|--|----------------------|
| Chapter 1: Contribute to the eradication of hunger, food insecurity and malnutrition   | 83,652,000           |
| Chapter 2: Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner | 202,401,000          |
| Chapter 3: Reduce rural poverty  | 64,787,000           |
| Chapter 4: Enable more inclusive and efficient agricultural and food systems   | 105,451,000          |
| Chapter 5: Increase the resilience of livelihoods to threats and crises  | 50,206,000           |
| Chapter 6: Technical Quality, Knowledge and Services   | 58,619,000           |
| Chapter 7: Technical Cooperation Programme   | 138,131,000          |
| Chapter 8: Outreach  | 74,685,000           |
| Chapter 9: Information Technology  | 35,516,000           |
| Chapter 10: FAO Governance, Oversight and Direction  | 81,248,000           |
| Chapter 11: Efficient and Effective Administration   | 73,635,000           |
| Chapter 12: Contingencies  | 600,000              |
| Chapter 13: Capital Expenditure  | 16,892,000           |
| Chapter 14: Security Expenditure   | 22,485,000           |
| Unidentified further efficiency gains and savings  | (2,673,000)          |
| <b>Total Appropriation (Net)</b>   | <b>1,005,635,000</b> |
| Chapter 15: Transfer to Tax Equalization Fund  | 90,100,000           |
| <b>Total Appropriation (Gross)</b>   | <b>1,095,735,000</b> |

- b) The appropriations (net) voted in paragraph (a) above minus estimated Miscellaneous Income in the amount of USD 5,000,000 shall be financed by assessed contributions from Member Nations of USD 1,000,635,000 to implement the Programme of Work. Such contributions shall be established in US dollars and Euro and shall consist of USD 541,399,000 and Euro 376,423,000. This takes into account a split of 54% US dollars and 46% Euro for the appropriations (net) and of 100% US dollars for Miscellaneous Income.
- c) An additional amount of USD 14,100,000 shall also be financed by assessed contributions from Member Nations to fund the After-service Medical Coverage (ASMC) past service liability. The contributions shall be established in US dollars and Euro, taking into account a split of 33% US dollars and 67% Euro, and shall therefore amount to USD 4,653,000 and Euro 7,743,000.
- d) The total contributions due from Member Nations to implement the approved Programme of Work and to fund the amortization of ASMC shall amount to USD 546,052,000 and Euro 384,166,000. Such contributions due from Member Nations in 2016 and 2017 shall be paid in accordance with the scale of contributions adopted by the Conference at its Thirty-ninth session.
- e) In establishing the actual amounts of contributions to be paid by individual Member Nations, a further amount shall be charged through the Tax Equalization Fund for any Member Nation that levies taxes on the salaries, emoluments and indemnities received by staff members from FAO and which are reimbursed to the staff members by the Organization. An estimate of USD 8,500,000 has been foreseen for this purpose.

2. **Authorizes** the Director-General, notwithstanding Financial Regulation 4.2, to use any unspent balance of the 2014-15 appropriations for any additional expenditures of a one-time nature associated with consolidation of transformational change.
3. **Requests** the Director-General to propose adjustments to the Programme of Work for the unidentified further efficiency gains and savings referred to in paragraph 1(a) above and amounting in aggregate to USD 2,673,000, which are currently not reflected in the chapter structure, for consideration by the Programme and Finance Committees and approval by the Council at its 153<sup>rd</sup> Session in December 2015, noting that both within chapter transfers and transfers from one chapter to another required to implement the proposals during the biennium will be handled in accordance with Financial Regulation 4.5.
4. **Appeals** to the UN General Assembly to consider the need for greater vigilance with regards to increases in staff costs across the UN Common System, particularly within the context of the ongoing comprehensive review being undertaken by the International Civil Service Commission.
5. **Recommends** that the TCP appropriation in the PWB 2018-19 should be in line with Conference Resolution 9/89.
6. **Encourages** Members to provide voluntary contributions to facilitate achievement of the Strategic Objectives and implementation of the integrated Programme of Work under the results framework.

(Adopted on ... June 2015)