

42nd Session of the Conference

(14-18 June 2021)

Agenda Item 19: The Medium Term Plan 2022-25 and Programme of Work and Budget 2022-23¹

1. The Medium-Term Plan (MTP) 2022-25 covers a period of four years and provides the programmatic framework for results and monitoring to support the achievement of objectives by Members and the international community with support from FAO, in accordance with the Strategic Framework 2022-31.
2. The Programme of Work and Budget (PWB) 2022-23 builds on the key foundational elements presented in the Strategic Framework 2022-31 and the Medium Term Plan 2022-25 and presents a quantification of costs under all sources of funds (net appropriation and extrabudgetary resources) across the budgetary chapters and organizational structure. It also includes a calculation of cost increases, an overview of long-term liabilities and reserve funds, and a draft Conference resolution for approval of the biennial programme of work and the budgetary appropriations.
3. It is recalled that adjustments in resource allocations and results framework arising from decisions and guidance of the Conference and the more detailed work planning process would be reported in the Adjustments to the PWB 2022-23 for consideration by the Council at its 168th Session, in line with the established programming and budgeting process.²

Overview

Medium Term Plan 2022-25

4. The MTP further develops the strategic narrative of supporting the 2030 Agenda through the transformation to MORE efficient, inclusive, resilient and sustainable agri-food systems for *better production, better nutrition, a better environment, and a better life*, leaving no one behind.
5. In line with the transformative nature of the Agenda 2030, the results framework uses a systems approach, considering social, economic and environmental development dimensions simultaneously and addressing the relevant trade-offs in achieving the Sustainable Development Goals (SDGs).
6. FAO's contributions are guided by the lens of SDG 1 *No poverty*, SDG 2 *Zero hunger*, and SDG 10 *Reduced inequalities*, while acknowledging the interconnectivity of the SDGs and thus the importance of all other SDGs in achieving FAO's overall vision.
7. FAO's move to an SDG-based framework provides a common language and facilitates dialogue and integration of results agreed at country level through UN Sustainable Development Cooperation Frameworks (UNSDCFs) into the Strategic Framework results hierarchy, in alignment with the 2018 UN development system repositioning.
8. The basic elements of the results architecture are described in Figures 1, 2 and 3 and the seamless hierarchy from country to corporate level is detailed in *Annex 4* (Figure 8).
9. The 20 Programme Priority Areas (PPAs) guide the programmes that FAO will implement under the *four betters* in order to fill critical gaps and put in place the conditions needed to drive the changes that will ultimately contribute to the achievement of the selected SDG targets. The Programme Priority Areas respond directly to the issues and challenges emanating from the Corporate Strategic Foresight Exercise, the Regional Conferences, the Technical Committees, and other formal and informal consultation processes. They represent FAO's comparative advantage as a UN specialized agency in contributing to the 2030 Agenda, bringing together FAO's breadth and depth of technical expertise and knowledge.

¹ C 2021/3; C 2021/3 Inf. Note 1; C 2021/3 WA-10; C 2021/LIM/4

² Basic Texts. Volume II, Section F

10. *Annex 1* provides a more detailed presentation of the PPAs and their results frameworks, including the main gaps being addressed, how these relate to SDG targets and indicators, how FAO will leverage the accelerators to fast-track progress, principal thematic components, including normative aspects and those relating to FAO’s core functions, and key risks and trade-offs.

11. The SDGs are central in FAO’s overall theory of change. Overall, the 20 Programme Priority Areas of the results framework make primary contributions to 15 of the 17 Sustainable Development Goals, encompassing a total of 59 distinct targets and 75 associated indicators. All 26 indicators under 21 targets for which the Organization has custodianship or contributing agency responsibility for measurement are included.

12. *Annex 3* further describes FAO’s contribution to the SDGs through the Programme Priority Areas under the *four betters*. The *Annex* provides an overview of both primary or “anchor” PPA contributions as well as additional SDG contributions, recognizing the interconnected nature of the SDGs and the interconnected nature of the *four betters*.

13. A more explicit articulation of FAO’s business model together with the strategic narrative, the accelerators and SDG-based results framework are key foundational elements in the Strategic Framework and the theory of change. FAO’s aim is to create an inclusive and agile Organization that is transparent, open, innovative, responsible, effective and impactful, and that serves its Members to achieve the *four betters*.

Programme of Work and Budget 2022-23

14. The Programme of Work and Budget 2022-23 builds on the key foundational elements presented in the Strategic Framework 2022-31 and the Medium Term Plan 2022-25, including the vision around the *four betters* and the results framework with its 20 Programme Priority Areas anchored in the SDGs.

15. The PWB 2022-23 presents a quantification of costs under all sources of funds (net appropriation and extrabudgetary resources) across the budgetary chapters and organizational structure. It also includes a calculation of cost increases, an overview of long-term liabilities and reserve funds, and a draft Conference Resolution for approval of the biennial programme of work and the budgetary appropriations.

16. The PWB 2022-23 has been developed around the following principles:

- a) maintain a flat nominal budget, with no change in the level of assessed contributions and net budgetary appropriation compared with 2020-21;
- b) ensure that all increased costs are covered without negatively impacting the technical work of the Organization;
- c) maintain the organizational structure currently in place to accelerate the delivery of effective and demonstrable results;
- d) adjust the budgetary Chapter structure to reflect the strategic narrative, with the first four Chapters representing the *four betters*;³
- e) identify areas of programmatic de-emphasis and realignment, based on developments and guidance received.

³ As indicated in document C 2021/LIM/4, budgetary chapters are renumbered sequentially in the final draft Conference Resolution.

Guidance from the 166th Session of the Council

17. The Council at its 166th Session⁴ reviewed the *Medium Term Plan 2022-25 and Programme of Work and Budget 2022-23*, and its guidance and observations are included in document C 2021/LIM/4. Concerning the budget level, the Conference is requested to take note of the following specific guidance from the Council.

18. The Council:

- a) commended the efforts of the Director-General in maintaining a flat nominal Regular Programme budget in the context of the prevailing global economic crisis, and supported the proposed net appropriation budget for 2022-23 that has been maintained at USD 1 005.6 million, the same nominal level as the approved budget for 2020-21;
- b) appreciated that the resources for the TCP are maintained at USD 140.8 million, or 14 percent of the net budgetary appropriation;
- c) recommended deferral to future biennia of both the issues of replenishment of the Working Capital Fund, as well as the incremental funding of the After-Service Medical Coverage past service liability;
- d) encouraged Members and other partners to provide voluntary contributions to facilitate the implementation of the integrated Programme of Work under the results framework; and
- e) recommended the Conference approve the budget level of USD 1,005.6 million at a budget rate of exchange of EUR 1 = USD 1.22, and recommended approval by the Conference of the draft Conference Resolution, as set out in *Appendix C* of its report.

Action requested by the Conference

19. The Conference is invited to consider the *Medium Term Plan 2022-25 and Programme of Work and Budget 2022-23* and to adopt the Budgetary Appropriations Resolution for 2022-23, as recommended by the Council and presented in document C 2021/LIM/4.

Ms Beth Crawford, Director of the Office of Strategy, Planning and Resources Management

⁴ CL 166/REP