

172nd Session of the FAO Council

Item 3: Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25

The Medium Term Plan (Reviewed) 2022-25 (MTP) is submitted in the second year of the biennium for review and approval by the membership.¹ It 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 FAO Strategic Framework 2022-31 which focuses on supporting the 2030 Agenda through the transformation to MORE efficient, inclusive, resilient and sustainable agrifood systems for *better production, better nutrition, a better environment, and a better life*, leaving no one behind.

The Programme of Work and Budget 2024-25 (PWB) builds on the key foundational elements presented in the FAO Strategic Framework 2022-31 and the Medium Term Plan (Reviewed) 2022-25 including the vision around the *four betters* and the updated results framework for 2022-25 with Programme Priority Areas (PPAs) anchored in the Sustainable Development Goals (SDGs).

The PWB 2024-25 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.

Medium Term Plan (Reviewed) 2022-25

After partially recovering in 2021 from the COVID-19 pandemic-induced contraction in 2020, the global economy has been experiencing a renewed slowdown in 2022 fuelled by a series of overlapping crises, including the continued impacts of the COVID-19 pandemic, the exacerbation from the war in Ukraine, soaring food prices and overall inflation, and tightening financial conditions in most regions. The most recent estimates indicate that both the number of people affected by chronic hunger and the prevalence of undernourishment are on the rise.

In this context, the MTP (Reviewed) 2022-25, through the PPAs and the *four betters*, delivers results against its results framework through identified PPAs and – in line with the transformative nature of the Agenda 2030 – through a systems approach, considering social, economic and environmental development dimensions simultaneously, addressing the relevant trade-offs and optimizing synergies in achieving the SDGs.

The basic elements of the results architecture are described in *Figures 2 and 3. Annex 1* provides the updated results framework and *Annex 3* further describes FAO's contribution to the SDGs through the PPAs under the *four betters*.

The PPAs act as a transformational pathway towards SDGs, in alignment with national priorities and serve to assist country offices to position the Organization in the most strategic and leveraged way within the country dialogue and bring the wealth of FAO's expertise to support country work. The SDGs are the pivotal link between FAO's PPAs and the country results planned in the United Nations Sustainable Development Cooperation Frameworks (UNSDCFs)/Country Programming Frameworks (CPFs) as shown in *Figure 4* and further detailed in *Annex 4* and *Figure 9*.

FAO organizes its work in the regions through Regional Priorities/Regional Initiatives, which serve as a multidisciplinary mechanism to ensure effective country delivery and impact of FAO's work in supporting countries in achieving the SDGs. The 2022 Regional Conferences supported the implementation of the FAO Strategic Framework through the 20 PPAs, and all proposed Regional Priorities/Regional Initiatives are fully aligned with them as presented in *Table 9*.

¹ Basic Texts, Volume II.F, Resolution No. 10/2009, *Implementation of the IPA regarding the reform of the programming, budgeting and results-based monitoring system* (IPA Actions 3.1 to 3.11).

Programme of Work and Budget 2024-25

The PWB 2024-25 has been developed around the following principles:

- a) present a budget which preserves purchasing power parity with 2022-23 (“zero real growth”);
- b) identify areas of programmatic emphasis, de-emphasis and realignment, based on developments and guidance received;
- c) cover all areas of emphasis and strengthening through re-allocation of funds from within existing resources; and
- d) maintain the organizational structure currently in place to accelerate the delivery of effective and demonstrable results.

Overview of resources planned and sources of funding

The PWB presents an integrated view of total resource requirements to carry out the Programme of Work comprising two distinct sources of funding. One source of funding is the assessed contributions by Members financing the net appropriation voted by the Conference in the Budgetary Appropriations Resolution. The other main source stems from extrabudgetary contributions provided by Members and other partners on a voluntary basis through direct support to the Organization, or through technical and emergency assistance to governments for clearly defined purposes within the FAO Strategic Framework and MTP.

The net appropriation budget is presented with cost increases to preserve purchasing power parity with 2022--23, as illustrated in the section *Overview of anticipated cost increases*. The budget also includes budgetary recoveries and re-allocations of USD 22.7 million as outlined in paragraphs 70 to 74.

The requirements to improve FAO’s financial health, liquidity and reserves include: the reinstatement of the approach of partial funding of USD 14.1 million towards the After-service Medical Coverage past liability as a separate additional assessment for the biennium; and a one-time assessment on Members of USD 19.3 million to bring the Working Capital Fund to the level of at least one month Regular Programme cash flow (USD 45 million).

Conclusion

The Medium Term Plan (Reviewed) 2022-25 and the Programme of Work and Budget 2024-25 are submitted for Council’s consideration and recommendation to the Conference, including on the budget level of USD 1 021.7 million at a budget rate of exchange of EUR 1 = USD 1.12.

Ms Beth Crawford, Director, Office of Strategy, Programme and Budget