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Item 3 (a) of the provisional agenda*

Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: macroeconomic policy, poverty reduction and inclusive development

Report of the Governing Council of the Centre for Alleviation of Poverty through Sustainable Agriculture on its eleventh session

Summary

The eleventh session of the Governing Council of the Centre for Alleviation of Poverty through Sustainable Agriculture was held in Bogor, Indonesia, on 12 and 13 February 2015. During the session, the Governing Council reviewed the activities and achievements of the Centre in 2014, including progress in implementing the Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia (SATNET Asia), and administrative and financial status of the Centre in 2014.

The Governing Council endorsed the proposed financial statement and workplan of the Centre for 2015.

The Governing Council recommended that the Centre continue to operate as a regional institution of the Economic and Social Commission for Asia and the Pacific (ESCAP), owing to its excellent accomplishments.

In view of the expected withdrawal of regular budget funding to the Centre, the Governing Council recommended the following:

- (a) A concerted effort by Governing Council members, the Governing Council Chair and the Executive Secretary of ESCAP be undertaken to increase voluntary contributions to sustain the Centre;
- (b) Statements of financial commitments to the Centre be made by member States during the seventy-first session of the Commission;
- (c) A subcommittee composed of Indonesia, Malaysia and Pakistan under the Chairmanship of Fiji, the current chair of the Governing Council, be formed to look into opportunities to enhance ownership of the Centre by the Governing Council members, and report back to the Council at its next session.

The Governing Council also recommended that the Centre:

- (a) Continue to promote cooperation between and among countries and organizations to enable knowledge-sharing and leveraging of each other's strengths;

* E/ESCAP/71/L.1/Rev.1.

- (b) Focus its efforts on agricultural innovation systems;
- (c) Broadly disseminate the sustainability assessment framework developed under the SATNET Asia project;
- (d) Explore opportunities to enhance its network of ministry-level focal points in countries that can support the Centre's knowledge-sharing and dissemination efforts;

It further recommended that the secretariat carefully examine the implications of the proposed changes to the governance structure of all regional institutions, including the proposal to transform the Governing Council into an advisory body, in view of the proposal's impact on the responsibility of the Governing Council to oversee the activities of the Centre and mobilize core funds.

The Commission may wish to deliberate on the above-mentioned issues and propose policy recommendations for the alleviation of poverty through sustainable agriculture in the region.

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I. Matters calling for action by the Commission or brought to its attention

1. The Governing Council recommends that the Centre for Alleviation of Poverty through Sustainable Agriculture continue to operate as a regional institution of the Economic and Social Commission for Asia and the Pacific (ESCAP), owing to its excellent accomplishments over the past years.
2. In view of the expected withdrawal of regular budget funding to the centre, the Governing Council recommends the following:
 - (a) A concerted effort be undertaken by Governing Council members, the Council Chair and the Executive Secretary of ESCAP to increase voluntary contributions to sustain the Centre;
 - (b) Statements of financial commitments to the Centre be made by member States during the seventy-first Commission session;
 - (c) A subcommittee composed of Indonesia, Malaysia and Pakistan under the Chairmanship of Fiji, the current Chair of the Governing Council, be formed to look into opportunities to enhance ownership of the Centre by Governing Council members, and report back to the Governing Council at its following session.
3. The Governing Council recommends that the Centre continue to promote cooperation between and among countries and organizations to enable knowledge-sharing and leveraging of each other's strengths.
4. The Governing Council recommends that the Centre focus its efforts in agricultural innovation systems.
5. The Governing Council recommends broad dissemination of the sustainability assessment framework developed under the Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia (SATNET Asia) project.
6. The Governing Council recommends that the Centre explore opportunities to enhance its network of ministry-level focal points in countries that can support the Centre's knowledge-sharing and dissemination efforts.
7. The Governing Council recommends that the secretariat carefully examine the implications of proposed changes to the governance structure of all regional institutions, including the proposal to transform the Governing Council into an advisory body in view of its impact on the responsibility of the Governing Council to oversee the activities of the Centre and mobilize core funds.

II. Summary of proceedings

A. Activities and accomplishments of CAPSA since the tenth session of the Governing Council (Agenda item 2a)

8. The Governing Council had before it the report of the Head of the Centre for Alleviation of Poverty through Sustainable Agriculture to the Governing Council (E/ESCAP/CAPSA/GC(11)/2, section III). The agenda item was introduced by the Head of the Centre.

9. The Head of the Centre indicated that the report had presented information about the strategies undertaken by the Centre to address the needs of member States in promoting sustainable agriculture and food security and provided an overview of the progress made in that endeavour.

10. Statements were made by the representatives of the following members of the Governing Council: Indonesia; Malaysia; Pakistan; Papua New Guinea; Philippines; Sri Lanka; and Thailand. In addition, the representatives of India; Japan; the Food and Agriculture Organization of the United Nations (FAO); the Asia-Pacific Association of Agricultural Research Institutions; and the Center on Integrated Development for Asia and the Pacific made statements.

11. The Governing Council congratulated the Centre for the work it has completed since the tenth session of the Governing Council. Delegates highlighted the importance of regional cooperation and urged the Centre to continue to promote cooperation between and among countries and organizations for enabling knowledge-sharing and leveraging of each other's strengths. The Governing Council stressed the need to increase investment in agriculture. It was also noted that the Asia-Pacific Association of Agricultural Research Institutions would be organizing a high-level policy dialogue engaging ministerial representatives on that topic for effective advocacy, and had invited the Centre to work with it in holding that event.

12. The Governing Council stressed that strengthening research-extension linkages and ensuring effective dissemination of research knowledge to farmers was important to the region. It highlighted that the Centre should focus its efforts on innovation systems. Enabling market access for smallholders was also acknowledged as a key requirement to address the problem of poverty alleviation. In addition, the Governing Council emphasized that agriculture should be regarded as an industry rather than just as a means of subsistence and livelihood, and thus entrepreneurship should be encouraged among farmers.

13. The Governing Council expressed its strong appreciation for the Centre's work regarding a sustainability assessment of agricultural technologies and requested that the assessment framework developed under the SATNET Asia project be disseminated further.

14. Representatives of observer organizations noted the importance of (a) promoting technologies that do not require a heavy investment of resources and (b) good governance in agriculture to ensure that farmers are given fair opportunities. They also stressed the need for regional organizations to identify areas of mutual collaboration, including addressing existing data gaps.

B. Progress of the Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia

(Agenda item 2b)

15. The Governing Council had before it the report of the Centre for Alleviation of Poverty through Sustainable Agriculture to the Governing Council (E/ESCAP/CAPSA/GC(11)/2, section IV). The agenda item was introduced by the Head of the Centre.

16. The Governing Council was informed that the SATNET Asia project, which was aimed at strengthening South-South dialogue and intraregional

learning on sustainable agriculture technologies and trade had entered its final year of implementation. The network had expanded through the involvement of more than 1,200 representatives of stakeholder organizations. Within SATNET, research on sustainability of agriculture technologies was completed in cooperation with network participants. Studies and training on electronic traceability for agriculture trade facilitation and smallholder integration were conducted in six countries of the region. More than 1,600 people were trained over the course of the project, with evaluation results indicating that the overall satisfaction from and usefulness of the trainings conducted were very high.

17. Representatives of India, Malaysia and the Asia-Pacific Association of Agricultural Research Institutions made statements.

18. The Governing Council advised the Centre to explore opportunities to enhance its network of ministry-level focal points with the aim to support knowledge-sharing and dissemination efforts. Classification of agricultural technologies based on the criteria of sustainability was also noted as a research area of strong relevance for the region. In that context, the Centre was also advised to explore grouping its member countries to facilitate the targeting of its programmes.

19. The Governing Council acknowledged the activities of the SATNET Asia project and invited Governing Council members to consider voluntary contributions to sustain it as part of a longer-term strategy.

C. Proposed focus of work of CAPSA in 2015

(Agenda item 2c)

20. The Governing Council had before it the report of the Head of the Centre for Alleviation of Poverty through Sustainable Agriculture to the Governing Council (E/ESCAP/CAPSA/GC(11)/2, section V). The agenda item was introduced by the Head of the Centre.

21. The Head of the Centre informed the Governing Council that the workplan of the Centre for 2015 would continue to be firmly grounded in knowledge management. It would further broaden and deepen the region's knowledge-base by promoting the sharing of best practices and the cross-fertilization of experiences from within and outside the region as mandated by the new ESCAP strategic framework. Capacity-building would thus continue to be a major focus on the Centre's activities.

22. Representatives of the following Governing Council member countries made statements: Indonesia; Malaysia; Philippines; Sri Lanka; and Thailand. Representatives of the following countries with observer status made statements: India; and Japan.

23. In the ensuing discussion, measuring incidence of food security, the impact of climate change on food security and poverty reduction, nutrition-sensitive agriculture, linkage between agriculture and health, balance between traditional and modern production techniques, rural entrepreneurship and options for enhancing incomes of small farmers were cited as useful areas for further research. The need for enhancing market access for smallholders, especially in view of the upcoming launch of the ASEAN Economic Community, was also raised.

24. The representative of Indonesia indicated that the Centre's workplan had complemented the priorities of the Indonesian Agency for Agricultural

Research and Development in science, technology and innovation, and noted the scope for joint cooperation among the Indonesian Center for Agricultural Socio Economic and Policy Studies, the Indonesian Center for Food Crops Research and Development and the Centre, especially in socioeconomic analysis and technology transfer.

25. The Governing Council noted the need to prioritize the Centre's work in view of its limited resources and the diversity of the Asia-Pacific region.

D. Administrative and financial status of CAPSA
(Agenda item 2d)

26. The Governing Council had before it the report of the Centre for Alleviation of Poverty through Sustainable Agriculture to the Governing Council (E/ESCAP/CAPSA/GC(11)/2, section VI). The agenda item was introduced by the Head of the Centre.

27. The Deputy Executive Secretary of ESCAP delivered a statement through Skype on the changes to the financial situation of the Centre. He informed the Governing Council that all regular budget-funded posts would eventually be redeployed to Bangkok, and that the senior management of ESCAP had requested that in the future the Centre's operations be funded through extrabudgetary resources.

28. The Head of the Centre provided an overview of the financial situation of the Centre in 2014 and presented the different scenarios for it as a result of the change in availability of regular budget resources. In order for the Centre to continue to operate, it was seeking voluntary contributions from member States of \$500,000 annually, which was about \$380,000 above current levels of annual funding support from member States.

29. Representatives of the following Governing Council members made statements: Fiji; Indonesia; Malaysia; Pakistan; Papua New Guinea; Philippines; Sri Lanka; and Thailand. Statements were also made by representatives of the Asia-Pacific Association of Agricultural Research Institutions and the Centre on Integrated Rural Development for Asia and the Pacific in their capacity as observers.

30. The Governing Council expressed appreciation for the excellent work of the Centre and recommended that it continue to operate as a regional institution of ESCAP, noting that the Centre belongs to ESCAP member States. The Governing Council also recognized its own important role in mobilizing core funding and called for all Governing Council members to raise their contributions to the Centre. The representative of Indonesia reminded the Governing Council of paragraph 15 of the report of the Governing Council of the Centre on its eighth session in which it was recommended that developing and middle-income countries boost their contributions to \$30,000 and least developed raise their contributions to \$7,000 and requested member States to consider increasing their contributions to the Centre.¹

31. The Governing Council recommended that a concerted effort be undertaken to increase voluntary contributions to sustain the Centre in the light of the withdrawal of regular budget funding. It recommended that as part of that effort, members of the Governing Council, the Chair of the Governing Council and the Executive Secretary of ESCAP approach

¹ E/ESCAP/68/5.

ministers of relevant ministries. It also recommended that the Centre and the secretariat explore the possibility of organizing a meeting of ministers alongside the seventy-first session of the Commission, which was scheduled to be held in May 2015. The Chair urged all members to work with their respective ministries so that statements of financial commitments to the Centre could be made during the Commission session.

32. The Centre was urged to identify additional funding sources from international donors.

33. The Governing Council agreed to form a subcommittee composed of Indonesia, Malaysia and Pakistan under the Chair of Fiji, the current Chair of the Governing Council, to look into opportunities to enhance ownership of the Centre by Governing Council members, and report back to the Governing Council at its following session. The Centre was advised to develop a terms of reference and timeline for the subcommittee.

34. The Governing Council urged the secretariat to carefully examine the implications of the proposed changes to the governance structure of all regional institutions, including the proposal to transform the Governing Council into an advisory body. It was felt that such a move, if implemented, would reduce the responsibility of the Governing Council in overseeing the activities of Centre and mobilizing core funds.

35. The Governing Council endorsed the proposed financial statement and workplan of the Centre for 2015.

E. Date and venue of the next session of the Governing Council

(Agenda item 3)

36. The Governing Council recommended that the venue of the next session of the Governing Council be discussed following the election of Governing Council members at the seventy-first session of the Commission.

F. Other matters

(Agenda item 4)

37. The Head of the Centre provided information on the upcoming election to the Governing Council of the Centre for the period 2015-2018.

G. Adoption of the report

(Agenda item 5)

38. The Governing Council had before it a set of draft recommendations. The recommendations were adopted. The Chair made a closing statement, thanking everybody for their participation, and then declared the session closed.

III. Organization of the session

A. Opening, duration and organization of the session

39. The Governing Council of the Centre for Alleviation of Poverty through Sustainable Agriculture held its eleventh session in Bogor, Indonesia, on 12 and 13 February 2015.

40. The Head of the Centre welcomed the members of the Governing Council. She then asked the Chair of the Governing Council on its tenth

session, the representative of Pakistan, as the Chair-in-charge, to open the meeting.

41. The Chair of the tenth session of the Governing Council thanked all member country representatives and international organizations for their attendance. He gave a brief on the accomplishments of the Centre during the period 2012-2015 and lauded the work that was done by the Centre despite limited financial and human resources in mobilizing stakeholders and developing linkages across the region through policy dialogue workshops, consultation meetings and capacity-building training. The Chair called on all members to seriously consider their commitment and ownership of the Centre.

42. The Director of the Indonesian Center for Agricultural Socio Economic and Policy Studies delivered a message on behalf of the Minister of Agriculture of Indonesia during which the strong support of the Government of Indonesia to the Centre was underscored.

43. The Chair thanked the Government of Indonesia for hosting the eleventh session of the Governing Council.

B. Attendance

44. The session was attended by representatives of the following members of the Governing Council: Fiji; Indonesia; Malaysia; Mongolia; Pakistan; Papua New Guinea; Philippines; Sri Lanka; and Thailand.

45. Representatives of Bhutan, India and Japan attended as observers.

46. Representatives of the following United Nations body attended: Food and Agriculture Organization of the United Nations (Regional Office for Asia and the Pacific).

47. Representatives of the following organizations attended: Asia-Pacific Association of Agricultural Research Institutions; and Centre on Integrated Rural Development for Asia and the Pacific.

48. Representatives of the Centre attended the session.

C. Election of officers

49. The Governing Council elected the following officers:

Chair: Mr. Inia B. Seruiratu, Minister, Ministry of Agriculture, Rural and Maritime Development and National Disaster Management, Fiji

Vice-Chair: Mr. Ir. Made Jana Mejaya, Director, Indonesian Center for Food Crops Research and Development, Indonesia

D. Adoption of the agenda

1. Opening of the session:

- (a) Opening statements;
- (b) Election of officers;
- (c) Adoption of the agenda.

2. Report of the Head of the Institute:
 - (a) Activities and accomplishments of CAPSA since the tenth session of the Governing Council;
 - (b) Progress of the Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia;
 - (c) Proposed focus of work of CAPSA in 2015;
 - (d) Administrative and financial status of CAPSA.
3. Date and venue for the next session of the Governing Council.
4. Other matters.
5. Adoption of the report.

Annex I

**Financial statement of the Centre for Alleviation of Poverty
through Sustainable Agriculture for the year ended 31 December 2014**
(United States dollars)

	2014	2013
<i>Income</i>		
Contributions	1 359 461	1 916 914
Transfer from ESCAP reserve funds	-	110 465
Interest income	7 224	6 931
	1 366 685	2 034 310
<i>Less: Expenditure</i>		
	1 516 528	1 655 889
Net income over expenditure	(149 843)	378 421
Fund balance - beginning balance	835 105	456 684
Refunds to donors	-	-
Fund balance - ending balance	685 262	835 105

Annex II

**Financial statement for the Centre for Alleviation of Poverty
through Sustainable Agriculture for the year ended 31 December 2014
by project component**
(United States dollars)

	228A	228B		
	Joint contributions capacity development Project - institutional support	EU Project led by the Centre's Network for Knowledge Transfer on SATNET Asia^a	United Nations regular programme of technical cooperation (section 23)^b	Total
<i>Income</i>				
Contributions	118 597 ^c	1 035 708	205 156	1 359 461
Interest income	791	5 433	-	7 224
	120 388	1 041 141	205 156	1 366 685
<i>Less: Expenditure</i>	90 908	1 200 116	225 504	1 516 528
Net income over expenditure	29 480	(158 975)	(20 348)	(149 843)
Fund balance as at 1 January 2014	190 384	644 721	-	835 105
Refunds to donors	-	-	-	-
Fund balance as at 31 Dec 2014	219 86	485 746	(20 348)	685 262

^a This project is jointly implemented by the Centre, the Asian and Pacific Centre for Transfer of Technology and the Trade and Investment Division of the secretariat, with the Centre as the lead. The Centre's share of implementation in 2014 is 73% of total expenditures amounting to \$886,713.

^b This represents balances for the biennium 2014-2015, which cannot be carried forward to the following the biennium 2016-2017.

^c Please refer to the following page for details of the contributions.

Annex III**Cash contributions for institutional support received during the year 2014**

(United States dollars)

Contributors	Year ended 31 December 2014	Year ended 31 December 2013
Bangladesh	1 000	1 000
Indonesia	63 097	82 068
Macao, China	3 000	3 000
Malaysia	10 000	10 027
Myanmar	1 000	5 000
Papua New Guinea	-	7 000
Philippines	10 500	21 000
Republic of Korea	20 000	20 000
Sri Lanka	-	5 000
Thailand	10 000	10 000
FAO - Thailand	-	62 985
University of Hohenheim	-	6 522
Total	118 597	233 602