



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

COUNCIL

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STATEMENT BY THE DIRECTOR-GENERAL

*Mr. Independent Chairman of the Council
Honourable Delegates,
Your Excellencies,
Ladies and Gentlemen,*

I wish to express my appreciation for your presence in Rome this week to participate in the 137th Session of the Council.

Before starting my address, I wish to recognize the passing away on 12 September 2009 of a legend and dear friend to all of us, Dr. Norman Borlaug, best known as the father of the Green Revolution, which resulted in an unprecedented increase in food production to feed a world population that doubled between 1960 and 2000. Dr. Borlaug helped defeat one of the most ancient scourges of humanity – mass famine. He saved countless lives.

No doubt he will be greatly missed as the world faces today a double challenge – to ensure food security for the one billion hungry and malnourished people and to double food production to feed a world population set to reach 9.2 billion in 2050.

I would call you to kindly observe a minute of silence in honour of Dr. Borlaug.

[Silence]

*Honourable Delegates,
Excellencies, Ladies and Gentlemen,*

(FAO Reform and the Strategic Framework, Medium Term Plan and Programme of Work and Budget)

Allow me to turn first to the progress and plans for the continued reform and renewal of FAO and my proposal for the Programme of Work and Budget 2010-11.

(Strategic Framework, MTP and PWB submitted)

In the past months, Members and Management have formulated a new Strategic Framework that provides the broad principles and the long-range guidance on our future programmes of work. The Strategic Framework builds on a firm conceptual base – an enhanced results-based approach – as agreed in the Immediate Plan of Action for FAO Renewal. The results frameworks comprising eleven Strategic Objectives, and the means of action through application of two Functional Objectives and eight Core Functions, are the result of very patient and meticulous inter-governmental discussion over the past 18 months.

The proposed Medium Term Plan 2010-13 and PWB 2010-11 embody a serious attempt to link means to ends, that is to direct all resources at the disposal of the Organization to achievement of agreed results, and clearly distinguishing between technical and administrative work. This has allowed us to better focus our work on Members' needs. The last PWB had 183 programme entities for the regular programme. The PWB 2010-11 proposes 56 focused and measurable results encompassing all of our activities, from assessed contributions and voluntary funds.

(Progress in Functioning as one by aligning structure, roles and responsibilities to results)

With clarity and agreement to contribute to well-formulated strategic objectives of the Organization, we have established the basis for unity of purpose, so that staff at headquarters and in decentralized offices can function as one team. Much attention is being given to the decentralised offices and their role in decision-making.

Decentralized offices have played a more prominent role in the preparation of the 2010-11 budget proposals. Starting from next January, Regional Offices will also have budget and programme oversight responsibility for technical officers in the region and will progressively direct the substantive work of the country offices. Also personnel in decentralized offices have been trained to take on additional responsibility for the Technical Cooperation Programme in 2010.

To facilitate the alignment of our structure to the results framework, a comprehensive restructuring of headquarters was initiated in 2009 for completion in 2012, to produce a flatter and less hierarchical management structure. A key element of this exercise has been a delayering of one third of the Director level positions. As requested by members, the resulting savings of USD 17.4 million per biennium are being redirected in the PWB 2010-11 towards FAO's programmes.

(Efficient use of Member contributions through administrative reforms)

We continue to ensure the efficient use of Member contributions through systematic reform of administrative and management systems. An external Root and Branch Review of our processes and systems, as called for under the IPA, has given us several opportunities to lower the cost and improve the quality and timeliness of administrative services during the next five years.

The IPA and the Root and Branch Review have emphasised the importance of human resources reforms for FAO's renewal. The Human Resources Management Strategy and Policy Framework has been developed and endorsed by the Finance Committee. The Performance Evaluation and Management System (PEMS) pilot involving over 500 staff, was launched in 2009. This system provides the link in accountability between individual staff performance and the corporate results frameworks. An intensive programme of staff and managerial training is underway to fully implement this system next year.

The staff representative bodies have been engaged with Management and have also interacted formally and informally with the CoC-IEE. The Culture Change team has engaged widely with staff at headquarters and in decentralized offices. It has produced an internal vision statement and made proposals for career development, rewards and recognition.

(Progress through dialogue)

I have only touched on a short-list of our collective accomplishments without even alluding, for example, to the numerous amendments to the constitution and general rules of the Organization that will be before the Conference to implement the IPA. The journey in 2009, through the 235 follow-up actions agreed at last year's special Conference is well underway, with 132 actions to be completed by this year's end.

To get this far, the Conference Committee for IEE Follow-up has shown exemplary leadership, and provided encouragement and motivation, in guiding Members and the Secretariat through implementation of the IPA for FAO Renewal. I trust you will agree that the personnel of FAO have on their part provided extraordinary enthusiasm, commitment and determination to support our member countries.

The innovative approach of monitoring progress through member-led working groups as well as informal seminars has unleashed the conditions for a meaningful dialogue among members and with management, which has provided a channel for accommodating diverse points of view.

(2009 resources for IPA)

Getting this far has required tedious re-prioritization and sequencing of activities by Management, as the extra-budgetary resources provided for FAO renewal in 2009 have fallen significantly short of the provisional requirement of USD 21.8 million adopted in Conference Resolution 1/2008. In fact, pledges to date have amounted to USD 8.3 million, of which only USD 5 million in cash contributions. This shortfall has complicated our work.

(Plans)

Looking forward, the PWB for the next biennium presents a comprehensive package of proposals in a new format. It exposes the integrated financial requirements to implement a biennial programme of work funded from assessed and voluntary contributions. In addition, my proposals for the Medium Term Plan and Programme of Work and Budget fully integrate the reforms set out in the IPA for FAO Renewal and include the thirty-five additional actions emanating from the conclusions of the Root and Branch Review.

As I close out my mandate with the Organization in the coming biennium, I will do everything within my authority to ensure that FAO will be better able to help Members face the challenges of the 21st century. Our reforms are setting the foundations for a strengthened organization able to deliver its programmes more effectively, tightly focused on its results. This is why I continue to give top priority to the reform.

(Resources)

Of course we cannot undertake programmes and reforms without able governance from the membership and the resources that you, as Members, agree to provide to the Organization.

In respect of Regular Programme assessments, and taking into account the concept of "reform with growth", advocated as the principal conclusion of the IEE and echoed in the IPA, the Secretariat has faced a dilemma.

On the one hand, there is obligation for FAO to operationalize the strategies and programmes to contribute to the eradication of hunger with new needs for resources.

On the other hand, we are cognizant of the competition for scarce public funds, especially as Member Nations redress the detrimental effects of the financial and economic crisis.

In that context, efficiency savings could be considered as an important financial ingredient in maximizing FAO's services to members at minimum cost. The Root and Branch Review has provided an expert, evidence-based analysis of the opportunities for quantified efficiency savings in 2010-11, which has been incorporated in the proposed PWB. I would ask members to take due note of the result that the potential for monetary savings is rather modest as illustrated by the Root and Branch Review. This finding needs to be viewed in the context of the measures already taken over the past sixteen years, which have yielded cost savings in excess of USD 170 million per biennium compared with 1994-95, through streamlining, reorganization of work, greater use of modern communications and increased cost recoveries. I must caution the membership against the temptation of setting unsubstantiated and unprogrammed efficiency targets for the 2010-11 biennium, which will put at risk the momentum of FAO renewal and its services to members.

I should also recall the caution in the Root and Branch review, that the number and complexity of simultaneous changes we are undertaking run some risks if we are not methodical and thoughtful in their implementation. We are scheduling some IPA actions for completion beyond 2011 to manage risks and ensure success.

For all these reasons, I ask for adequate resources, as we seek to maintain the momentum of FAO renewal and contribute to our common vision of a world free from hunger.

Turning to the specific numbers, the proposed biennial budget for the Net Appropriation is set at USD 995.9 million, representing a 7.1% increase over the PWB 2008-09. As previously requested by Governing Bodies, I have also summarized measures to improve FAO's financial health, liquidity and reserves.

The proposed Net Appropriation reflects an adjustment for cost increases in the Regular Budget which has been examined twice by the Finance Committee and is in line with the adjustments proposed by the other UN Rome-based agencies.

In addition, the proposed Net Appropriation includes an increment to meet just over half the revised cost of the IPA in the biennium. In formulating my proposal, I have listened carefully to Members on the need to guarantee funding for IPA implementation, while protecting the programme of work. This follows a comprehensive review of the assumptions and scope of the IPA actions since the meetings of the CoC-IEE and the Programme and Finance Committees in July, which resulted in a substantially reduced estimated cost for 2010-11 of USD 38.6 million for the IPA and the implementation of the recommendations of the Root and Branch Review.

While the Committees have appreciated my proposal as a step in the right direction, I must now look to the Membership to take the next step to find means to ensure adequate funding for the programme of work and IPA in 2010-11. The Finance Committee at its 129th session on 18-19 September reviewed some possible options which you have been considering.

In this, your final session before the Conference, I look forward to the outcome of your deliberations and advice to the Conference on the strategic direction and budget of the Organization, including the treatment of the IPA.

Your Excellencies, Ladies and Gentlemen,

In profoundly reforming FAO, we should not lose sight, at the same time, of our mandate and the needs of those who suffer from hunger in the world. One in every six persons does not meet their daily nutritional requirements and the situation has aggravated substantially during the last few years.

(World Food Summit and Global Food Security)

In the 136th session of Council last June, you agreed that a summit on food security be held in November 2009, in close proximity to the FAO Conference, in view of, *inter alia*, the increasing number of hungry people and the need to keep food insecurity on top of the international agenda. This reflects your dedication and commitment to the cause of the poor and hungry and I wish to commend you for that.

I wish in this regard to thank the Government of the Kingdom of Saudi Arabia for the generous financial contribution of 2.5 million US dollars it has made to the costs of the Summit.

You have also directed to establish an Open-Ended Working Group to decide on the necessary arrangements for the Summit. I am happy to report that the Group has met six times so far under the Chairmanship of the Council Independent Chair and two Co-Chairpersons and that good progress has been made. The Secretariat is giving full support to the process.

The Open-Ended Working Group has started to put together a zero draft for the declaration. I should note here that, at the request of the Group, the Secretariat has provided a contribution to defining the objectives and possible outcomes of the Summit. This contribution was prepared with the view to tackling the fundamental causes of food insecurity and to establishing quantifiable goals with timeframes for their realization.

This will be the third summit after those of 1996 and 2002. While the previous two summits have contributed to keeping food security and agriculture on the agenda of policy makers and making commitments to fight world hunger effectively, the decisions made were not followed by actions commensurate to achieving the goals set. The primary goal of the World Summit on Food Security next November would be to forge a broad consensus on the rapid and total eradication of hunger in the world so that all peoples of the Earth may enjoy the “Right to Food”, which is the fundamental right of all human rights.

Global food security is facing the greatest challenges in modern history. The challenge is twofold – on the one hand, we must secure the food security of the one billion people suffering from hunger and malnutrition; on the other, we need to double food production to feed a world population expected to reach 9.2 billion in 2050.

World food insecurity is rising and no region is immune. Our latest data show that in 2009 hunger is expected to increase in all the regions of the world. Asia and the Pacific: up 10.5% to 642 million; Sub-Sahara Africa: up 11.8% to 265 million; Latin America and the Caribbean: up 12.8% to 53 million; Near East and North Africa: up 13.5% to 42 million.

In addition, as of last July, thirty countries were in a situation of food crisis requiring emergency assistance. Of these, twenty in Africa and ten in Asia/Near East. Today, the prospects for food production in several countries are worrisome. Guatemala declared a “state of public calamity”, with the country facing severe food shortages. In India, drought is expected to result in crop losses in about half of the districts. In Argentina, prolonged drought has affected grain production and is expected to reduce export surpluses.

What we are paying for today, with the increasing numbers of hungry people, is our inability to develop or revive local food production, after nearly thirty years of neglect of agriculture and underinvestment in the sector.

We may have good intentions to defeat hunger, but we will not achieve our goals without the proper political decisions, the required follow-up actions and the necessary financial resources.

The events of the last two years have demonstrated the fragility of the global food system and the lack of coherence and efficiency in the governance of world food security. Responding to the food insecurity crisis in an effective and sustainable way requires not only strong leadership and relevant strategies, policies and programmes, but also coordinated implementation and monitoring of actions. That is why a reformed and strengthened CFS is vital.

While the number of hungry people has increased, resources to agriculture decreased. Agriculture's share of official development assistance (ODA) fell from 17% in 1980 to 3.8% in 2006. Presently it stands at around 5%. Yet back in the 1970s, to avert the risk of hunger and starvation in Asia and Latin America, the world spent 17% of ODA in building irrigation schemes, rural roads, storage facilities, seed production systems and fertilizer and feed production plants, which formed the basis of the Green Revolution.

Nevertheless, in these last two years, FAO on its part has mobilized all the available technical and financial resources at its disposal to tackle the food crisis.

In addition to the assistance provided under national and regional food security programmes and the emergency projects launched to mitigate the effects of hurricanes and other natural disasters, FAO has also carried out numerous actions in the field as part of its "Initiative on Soaring Food Prices", which was launched on 17 December 2007 to facilitate small-farmers' access to seeds, fertilizer, agricultural tools and fishing gear. The current budget for these projects amounts to 104 million US dollars. In addition, the Organization is implementing projects in 25 countries with a budget of 285 million US dollars funded by the European Union under its "Food Facility" of one billion euros established to help developing countries deal with the food crisis.

Now we need to broaden, deepen and replicate such programmes and projects.

It was with great satisfaction to note the encouraging policy change in favour of support to the poor and hungry that was manifested in the food security initiative by the G8 meeting last July in L'Aquila. The initiative, which puts emphasis on assistance to small farmers in developing countries to increase their food production, and the financial commitments of 20 billion US dollars over three years for a comprehensive strategy focussing on sustainable agricultural development are an important step in the right direction.

The commitments taken at the G8 L'Aquila meeting must now translate into concrete actions not only for the moral considerations but also for economic reasons and to ensure peace and security in the world.

Finally, I dare to hope that in November we can agree on three objectives:

- to eradicate hunger from the face of the Planet during the next 15 years;
- to restore the share of agriculture in total ODA to its 1980 level;
- to strengthen the CFS as the Global Partnership for Agriculture, Food Security and Nutrition with the national components to enhance global governance for the fight against hunger.

While looking forward to the results of your deliberations, I wish you every success in your work and I thank you for your very kind attention.