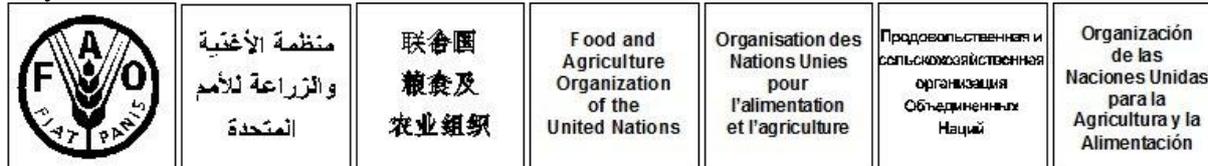


July 2011



# CONFERENCE CONFÉRENCE CONFERENCIA

**Thirty-seventh Session • Trente-septième session • 37.º período de sesiones**

**Rome, 25 June - 2 July 2011  
VERBATIM RECORDS OF MEETINGS OF COMMISSION II  
OF THE CONFERENCE**

**Rome, 25 juin - 2 juillet 2011  
PROCÈS-VERBAUX DES SÉANCES DE LA COMMISSION II  
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ACTAS TAQUIGRÁFICAS DE LAS SESIONES DE LA COMISIÓN II  
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(27 June 2011)**

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(27 June 2011)**

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# CONFERENCE CONFÉRENCE CONFERENCIA

<b>Thirty-seventh Session Trente-septième session 37.o periodo de sesiones</b>
<b>Rome, 25 June - 2 July 2011 Rome, 25 juin - 2 juillet 2011 Roma, 25 junio - 2 de julio de 2011</b>
<b>FIRST MEETING OF COMMISSION II PREMIÈRE RÉUNION DE LA COMMISSION II PRIMERA REUNIÓN DE LA COMISIÓN II</b>
<b>27 June 2011</b>

The First Plenary Meeting was opened at 11:24 hours  
Mr Yaya Olaniran  
Chairperson of Commission II, presiding

La première séance plénière est ouverte à 11 h 24  
sous la présidence de M. Yaya Olaniran,  
Président de la Commission II

Se abre la primera sesión plenaria a las 11:24 horas  
bajo la presidencia de ls Sr. Yaya Olaniran,  
Presidente de la Comisión II

**Programme and Budgetary Matters**  
**Questions relatives au Programme et au budget**  
**Cuestiones programáticas y presupuestarias**

- 21. Programme Implementation Report 2008-2009** (C 2011/8)
- 21. Rapport sur l'exécution du Programme 2008-09** (C 2011/8)
- 21. Informe sobre la ejecución del programa en 2008-09** (C 2011/8)

**CHAIRPERSON**

I am calling to order the First meeting of Commission II. We have a full agenda to cover and I do know that a lot of effort has gone into the documents that we are going to work on. I am confident that with your good will and collaborative spirit, we will complete our work in a satisfactory and timely manner and come, hopefully, to consensus as regards the budget level.

Turning now to our Timetable, as contained in document C 2011/INF/I/Rev 1, the Commission will commence its discussions this morning with Item 21, the Programme Implementation Report 2008-2009, followed by Item 22, the Programme Evaluation Report 2011. Following conclusion of the two items, we will then turn to Item 22, Report of the CoC-IEE on the Immediate Plan of Action for FAO Renewal. As per the Timetable, this afternoon or later, depending on our progress this morning, we will take up Items 25 and 26, Report of the Open-ended Working Group on measures designed to increase the efficiency of Governing Bodies, including representation, Multi-year Programme of Work of the Council, then we will move to considering Item 23, Medium Term Plan 2010-13 and Programme of Work and Budget 2012-13. I trust that this timetable is agreeable to you.

Now, I will ask you to consider the first substantial item on the agenda, the Programme Implementation Report 2008-2009 which is document C 2011/8. The extract of the Council report of this document is contained in C 2011/LIM/3. Before inviting delegates to take the floor on this item, I would turn to Mr Boyd Haight, Director of Office of Strategy, Planning and Resources Management, OSP, to introduce the item.

**Mr Boyd HAIGHT (Director, Office of Strategy, Planning and Resource Management)**

Mr. Chairman, and distinguished delegates, I will briefly outline the purpose, format and content of the Programme of Implementation Report of the 2008-2009 biennium, and I will also touch on plans for future reports.

The Programme of Implementation Report (PIR) informs the Membership about the work carried out by the Organization over the past biennium. It looks back to provide information on the financial performance of the Organization and what it achieved in terms of outputs and outcomes under the regular programme appropriation and with extra budgetary resources. The assessment of longer term outcomes and objectives remains the subject of independent evaluations to cover a longer time span than the quantitative biennial picture of achievements in the PIR. You will consider findings from evaluations under the next agenda item in the Programme Evaluation Report.

This PIR covers achievements under the programme framework that was in place during the 2008-2009 biennium, and it is the last PIR in this format. Nonetheless, it has a new layout, which is intended to be more attractive and user friendly.

The first section of the PIR 2008-2009 provides an account of the major policy developments that took place in the biennium and influenced the work of the Organization. These were a renewed focus on food security, and the sustained reforms driven by the Immediate Plan of Action for FAO's renewal. This is a new section compared with the previous PIR.

Within this context, the PIR 2008-2009 covers two main aspects of organizational performance.

The section on Overview of Achievements provides an overview of the evolution and application of the total resources in the biennium. It also provides selected highlights of programme implementation, and regional dimensions of FAO achievements. The coverage of the Technical Cooperation Programme includes an analysis of the catalytic role of TCP projects and their relation to FAO's programmes, especially for capacity building.

The section on corporate features of programme delivery reports on the cost of supporting the field programme; progress in achieving efficiency savings; use of the capital and security expenditure facilities; the application of the FAO language policy; and progress in geographical representation and gender balance of Professional staff.

Annexes I and II in the printed document provide more detailed information on geographical representation of professional staff and on the summary output completion. Annex IV on the FAO web site provides an overview of the resources and outputs at programme level and reports on delivery of biennial outputs by programme entity. The list of unscheduled and cancelled sessions is provided in Annex V, also on the FAO web site.

So what did we achieve during 2008-2009? The biennium was unique in many ways for both the Secretariat and Members. On one hand, we collectively responded to the challenges of a deteriorating world food security situation, in particular the food price and financial crises. On the other hand, we started implementation of a far reaching set of reforms aimed at making the Organization more efficient and effective. These challenges resulted in modification of the planned outputs identified in the PWB 2008-09, as reported in Annex II.

From a resources viewpoint, the biennium was marked by an increase in total resources, with a 34 percent increase in voluntary contributions and total expenditure about 23 percent higher than the previous biennium. Most of the increase was for emergency activities while delivery under the Technical Cooperation Programme nearly doubled compared with the previous biennium.

This PIR addresses selectively the outcome of FAO's work in a number of programme areas under the three substantive chapters of the Programme of Work that was in place for 2008-2009. These relate to achievements to sustainable food and agriculture systems; in knowledge exchange, policy and advocacy and, decentralization, UN cooperation and programme delivery. Several of the highlights cover four areas of multidisciplinary action that were given particular emphasis in the biennium: knowledge management, capacity building, climate change and bioenergy.

So what about the future Programme Implementation Reports? The Programme and Finance Committees and the Council during the current biennium have endorsed a monitoring and reporting system under the results-based framework in place for the 2010-2011 biennium. This includes an end of biennium assessment, which will lead to the preparation of a comprehensive analysis of achievements under the Programme of Work and Budget. It will be presented in the Programme Implementation Report 2010-11 at the next Conference.

As was requested by the Council, the next PIR will report against the performance indicators and targets in the Medium Term Plan 2010-2013, thereby providing a clear picture of the Organization's progress towards achieving the Organizational Results.

The PIR 2010-2011 will also highlight success stories as well as lessons learned during the biennium, and actions being taken, or that will be taken in 2012-2013, to improve performance, based on the periodic monitoring arrangements that have been put in place in 2010 as part of the results-based management.

As in the past, the next PIR will also cover financial performance for all sources of funds as applied to the achievement of the Organizational Results. It will report on efficiency savings, cost of field programme support, and implementation of the TCP. It will report on other aspects of performance of interest to Members such as language policy, geographic representation and gender balance of staff.

Mr Chairman, with this brief overview, the Secretariat is ready to provide any clarifications required by the Conference in considering the Programme Implementation Report 2008-2009.

#### **CHAIRPERSON**

Thank you Mr. Boyd. The floor is now open. Afghanistan, followed by Hungary.

**Mr Abdul Razak AYAZI (Afghanistan)**

Chairperson, first of all I am very happy to see you chairing this important Commission. Secondly, I would say we treat the Programme Implementation Report (PIR) as an accountability report on implementation performance on what was planned for the biennium. We do not look in the PIR for effectiveness and impact on the programme which are treated in the Programme Evaluation Report that is next in our agenda.

Regarding this PIR 2008-2009, it is as Mr Boyd mentioned, the last issue of the former programmatic model. The PIR 2010-2011 will look completely different, both in format and in its content, and it will be based on the results-based programmatic framework as approved by the last session of the Conference.

When we compare PIR 2006-2007 with PIR 2008-2009, the following qualities come out :

One: in size the report is 30 percent less than the PIR 2006-2007;

Two: Part I, reflecting policy developments in the biennium, is very useful and we recommend its continuation for PIR 2010-2011;

Three: Section B, Part II of the report presents some interesting examples of achievement that are received as a step forward in accountability reporting;

Four: in comparison to the biennium 2006-2007, expenditures from the net appropriation increased but one percent whereas expenditures from extrabudgetary resources rose by 37 percent, however there was no real change in the regional dimension of the delivery;

Five: as shown in Table 16, despite a 37 percent increase in food programme remedy, technical backstopping for field projects has remained stable at 28 percent of the professional staff time;

Six: the annual notable features appearing at 2008-2009 are:

a further increase in the share of emergency in total field programme delivery, (Table 1).

a fall in the share of extrabudgetary resources to regular programme expenditure, (Paragraph 55, Figure 1).

an increase in the number of meetings but a shortfall in the meetings organized by the decentralized offices (Table 19).

a further improvement in the appointment of women at the Director and Professional level, by the end of 2009, women accounted for 52 percent of all FAO staff (Table 21), and the cost of technical support (TSS) and administration and operational support technical support (AOS) for the field programme continued to rise, although their share in total programme delivery has gone down.

**Mr Zoltán KÁLMÁN (Hungary)**

I am honoured to speak on behalf of the European Union and its 27 Member States. The candidate countries to the EU, Croatia, Montenegro, The former Yugoslav Republic of Macedonia and Turkey associate themselves with this statement.

The EU welcomes document C 2011/8 Programme Implementation Report (PIR) 2008-2009 and the Web annexes. The report gives a good overview of the activities and developments of the Organization in the years 2008-2009, including the reform, and the major financial implications. We consider the highlighting of examples a valuable step to making findings more accessible to the reader, although we feel that sometimes the selection of those examples is somewhat arbitrary. We also appreciate the Web annexes that provide further information without hampering the bigger outline of the main text.

The EU acknowledges the step-by-step progress already achieved in this format, and is eagerly awaiting the new format for the next PIR which is expected to measure results against indicators, including lessons learned, and reporting on results achieved through all funding sources.

Mr. Chairperson, in 2009 the EU had asked for informal consultations with management on their ideas for the new PIR-format, aligning the PIR with the reform. In fact we did have the opportunity for an informal exchange last winter, which was much appreciated. It became obvious that the indicators still needed some work and only then, a PIR in a new format could really come to life. Some Member States also felt that at a later stage further informal consultations might be useful to discuss the methodology including the indicators.

The exchange of views also showed that strictly quantitative indicators might not be sufficient in the long run and that some work should be done to develop also indicators of a qualitative nature. Furthermore, some Member States expressed their hope to interlink the Programme Implementation and Programme Evaluation Reports more closely in the future. The PIR should therefore include a section on the follow-up of the lessons learned of evaluations.

**Ms Karen E. JOHNSON (United States of America)**

We join in welcoming you to this position; we are glad to see you here.

The United States of America thanks the FAO Secretariat for producing the 2008-2009 Programme Implementation Report.

We also welcome Mr Haight's assurances that future reports will be more in line with the new results-based paradigm in place. The United States of America, in future reports, would like to see some more, in fact significantly more detail in the resources section. Whilst this section is data rich, it is analysis and indicator poor. What are the trends in expenditures and how has cost efficiency been improved? Moreover, this Report lacks an explanation of the gap in programmes planned and programmes implemented. This report for 2008-2009 indicates that 88 percent of planned technical programmes were implemented but it does not provide any explanation for what happened to the remaining 12 percent of programmes or the monetary resources that were budgeted to carry them out. This gap in information must be addressed in all future Reports. This information is critical to Member States; without it we simply cannot appropriately exercise our governance responsibilities in a effective manner.

While we are pleased to see that the gender issues have been mainstreamed into all sections of the report, the percentage of female Professional and leadership staff at FAO remains low. We hope to see further improvement in the next biennial report. We also note that a number of countries remain under-represented on FAO staff and we support ongoing efforts by the Secretariat to remedy this.

**Mr Wilfred J. NGIRWA (United Republic of Tanzania)**

The Tanzanian delegation endorse the Programme Implementation Report for 2008-2009 and thanks management for a good report. However, we urge management to compare achievements with the results-based output and income indicators in future progress reports. This is very important.

**Mr Boyd HAIGHT (Director, Office of Strategy, Planning and Resource Management)**

Thank you Mr Chairperson and thank you delegates for your comments and views, in particular on the next Programme Implementation Report. In fact the future, as it has been noted by several delegates and in particular Hungary for the EU, has been the subject of both informal and formal consultations. We look forward to continuing those discussions with you in the coming months in the Programme and Finance Committees, as well as in the Council.

I would like to address briefly, the point made by the United States of America on the gap between the performance in 2008-09 planned versus actual outputs. In the past Programmes of Work and Budget - that is the previous set of programmes that was in place up to 2008-2009 - we indicated in the PWB the planned biennial outputs to be produced. We have always had a variance between what we planned and what we are able deliver, primarily due to unplanned events that take place during the course of the biennium, remembering that the plans are prepared almost a year before we start implementation. In the case of 2008-2009, as was noted in the first section of the document on policy developments, we had a severe crisis relating to food security as well as the financial crisis that required us to address areas that had not been planned, which were reported to Members and have been appreciated, as well

as embarking on the reforms under the Immediate Plan of Action, which was only approved after the PWB 2008-2009 had been formulated.

In the future, we will not be reporting at the level of biennial outputs but rather the more meaningful reports of progress on achieving the targets that we have set collectively for the indicators of outcomes at the level of Organizational Results. You will be receiving not only a quantitative report, but also a qualitative narrative as to why or why not we were able to achieve those targets, along with the mitigating actions that we are taking, took or will take, to ensure that we make progress. So this will be a collective work, both with the Secretariat and then working with the Members.

Also, to put it in context, the PIR 2008-09 has been considered by the Programme and Finance Committees, aspects of it have been seen by the Regional Conferences and the Technical Committees as well as the Council. So the guidance that we are hearing here will be very useful for us in taking forward the preparation of the PIR 2010-2011 which, in fact, we will be starting not long after this Conference end. Thank you, Mr Chairman.

#### **CHAIRPERSON**

Thank you Mr. Haight. Allow me to sum up the conclusion of Item 21 on our agenda.

The Commission appreciated the concise format of the documents, including the Web and annexes.

The Commission takes note of the growing face of extra-budgetary resources and the share of emergency activities in particular.

The Commission urges the Secretariat to strengthen emphasis on indicators of performance against funding from all funding resources.

The Commission noted that indicators of quantitative nature only will not suffice and therefore, there will be efforts to bring in qualitative factors for future analysis.

The Commission takes note of the fact that this is the last PIR in the old format.

The Commission takes into account the importance of mainstreaming work on the agenda in all the activities of FAO.

If this conclusion is acceptable to the Membership, I can see a nodding of heads.

**It was so decided**

**Il en est ainsi décidé**

**Así se acuerda**

**22. Programme Evaluation Report 2011 (C 2011/4)**

**22. Rapport d'évaluation du programme 2011 (C 2011/4)**

**22. Informe de evaluación del programa correspondiente a 2011 (C 2011/4)**

#### **CHAIRPERSON**

Let us proceed to Item 22 on the Agenda, Programme Evaluation Report 2011.

The document C 2011/4 refers. Before inviting the delegations to take the floor on this item, I will welcome Mr Moore, Director of the Office of Evaluation, and ask him to make a short introduction. Mr Moore, please take the floor.

**Mr Robert MOORE (Director, Office of Evaluation)**

The Programme Evaluation Report 2011 continues in the revised format agreed by the Conference and the Council in 2005. It provides a summary report to the Conference on the main evaluation activities of the Organization, which have been previously discussed in detail in the Programme Committee through the Programme Committee's Report in the Council.

The document begins with a summary of new developments in FAO's evaluation regime related to institutional and governance arrangements, evaluation of extra budgetary work, strengthening of evaluation of emergency and rehabilitation work, and evaluation processes and methodologies.

In this latter context, I would like to mention the new FAO Evaluation Web site which we hope will allow easier public access to FAO evaluation materials. We welcome your feedback on the new Web site.

The Programme Evaluation Report (PER) also outlines FAO's collaboration with the rest of the UN System in common evaluation endeavours and gives the work programme of evaluations for the present biennium. As in recent PERs, it also includes evaluation briefs, that is, four-page summaries of the evaluations that were presented to the Programme Committee during the biennium. Seven such briefs are included in the PER 2011.

The PER 2011 includes for the first time, a section drawing common lessons from evaluations that were reported to the Programme Committee in this biennium. This section has been prepared in response to requests from the Committee to provide such information. The issues covered include: decentralization, partnership, emergency and rehabilitation responses, communication strategies and gender. We hope that this section of the PER is useful and welcome suggestions to develop it further for future PERs.

The 2010-2011 biennium has been the first one since the Office of Evaluation was established as a separate entity under the new organizational structure, with a formal dual reporting line to the Director-General and the Council through the Programme Committee. With guidance from the Programme Committee, the Office has carried out an ambitious work programme that we hope has kept Members informed about key issues facing FAO and, through management responses and follow-up reports, how the Organization is responding in these areas.

We look forward to your debate on the PER and your advice on how to improve the evaluation function in FAO.

#### **CHAIRPERSON**

Delegates, the floor is open for comments and questions on this subject.

#### **Mr Zoltán KÁLMÁN (Hungary)**

I am honoured to speak on behalf of the European Union and its 27 Member States. The candidate countries to the EU, Croatia, Montenegro, the former Yugoslav Republic of Macedonia and Turkey, associate themselves with this statement.

The EU endorses the Programme Evaluation Report which gives a good overview of the activities and work of the Office of Evaluation. The EU appreciates the high quality of this report and congratulates the work done by the Office of Evaluation.

The EU appreciates that the chart that defines the new evaluation policy of the FAO Office of Evaluation has been approved in May 2010.

The EU also appreciates that the report which has been submitted contains a new chapter dedicated to the general lessons learned and the key common issues that have arisen from the major evaluations, in particular the issues related to the decentralization process, strengthening the capacity at country level, the recruitment policy including rotation, the issue of gender equity and the partnership issue. The Secretariat should look at these issues by priority in order to increase the efficiency and performance of FAO.

The EU supports the recommendation of the joint Programme and Finance Committees to increase the budget of the evaluation for this biennium, in order to reach 0.7 percent of the PWB, as a first step to achieve the recommendation of the IPA.

The EU is convinced that broader attention needs to be given to the follow-up of the evaluations in order to have a look on how the recommendation has been implemented by the Secretariat. A part of the increased budget should be dedicated to this task.

The EU recommends that for the next programme of evaluations, which will be on the agenda of the next Programme Committee meetings, priority should be given to corporate evaluations. In particular, the EU recommends that an evaluation of the functioning of the decentralized offices should be

conducted in all the regions, based on the same model of the Near East decentralized office evaluation. In the future we suggest to evaluate the structure, content and performance of the entire FAO field programme, including systems in place for project planning and monitoring.

The EU recommends the Office of Evaluation to work in close cooperation with the UN Evaluation Group, in order to prepare carefully the peer review of the evaluation function in FAO, which has to be organized in 2012, following the IPA.

The EU appreciates the participation of the Deputy Directors-General at the Programme Committee meetings, considering that they have a central role in leading the implementation of the recommendations.

**Mr Abdul Razak AYAZI (Afghanistan)**

We appreciate this brief informal report on the evaluation activities at FAO. As a member of the Programme Committee, Afghanistan is pleased to see a steady improvement in the quality of FAO's evaluation work. In this connection, it needs to be said that the Programme Committee is authorized to oversee the work of the evaluation in FAO and approve the annual programme of the evaluation to be conducted by the Office of Evaluation. The charter for FAO's Office of Evaluation has been a major step forward. The charter stipulates the independence of the Evaluation Office within the overall structure of FAO and the evaluation of the relation function itself that was just mentioned by the statement from EU. We support the rationalization of the relation process regarding programmes and projects funded through extra-budgetary resources, which has received the endorsement of the Council.

We support the provision of a separate slot for evaluation in the budget of donor-funded projects. We also support the new criteria on the relation of extra-budgetary funded emergency and rehabilitation work, as spelled out in paragraph 8. The membership wants to know what has been the follow-up of recommendations emerging from major evaluations, especially of corporate evaluations. At present, the Office of Evaluation does a quality assurance and check on the follow-up of recommendations prepared by the implementing units. A deeper involvement of the Evaluation Office in the implementation of evaluation recommendations would indeed demand more resources for the Evaluation Office. This is understandable. However, we feel that an independent report by the Evaluation Office on the implementation of recommendations emerging from major strategic evaluations of a cross-cutting nature would be useful and funds should be provided for it. Feedback from evaluation to planning and programming is fundamental and should be further encouraged. For this to happen, the Office of Evaluation should be able to act as provider of lessons to the technical unit on the improvement of project and programme design, and this should be done in an integrated manner. Hence, the need for an improved communication strategy between the Evaluation Office and the strategy teams for the eleven Strategic Objectives is essential.

Chairperson, finally we wish to make three additional points. One, we are happy that there will be an additional funds of USD 1 million for the Office of Evaluation for the next biennium, and this was mentioned in the Director-General's statement this morning at the Plenary. Two, we wish to further encourage joint evaluation with the Rome-based agencies and three, we wish to see the introduction of one or two meetings a year between members of the Programme Committee and members of the Internal Evaluation Committee on the exchange of views regarding evaluation work in FAO.

Thank you Chairperson.

**CHAIRPERSON**

Thank you, Afghanistan. The floor is still open for comments or questions. In that case, let me ask Mr Moore to respond.

**Mr Robert MOORE (Director, Office of Evaluation)**

I would like to thank those who spoke for their support for the work that is being carried out by the Office of Evaluation. A couple of comments on points that were raised.

One, the EU raised the point about the peer review which is supposed to take place in 2012, that the Office of Evaluation should be working with UNEG on this. I would like to assure you that, in fact, arrangements for this have already started and we are already in discussion with UNEG and also with the OECD network on peer review of the evaluation function, for carrying this first review out in 2012.

In terms of doing more evaluations with the Rome-based Agencies, I want to assure you that we are always looking for possibilities to do this, and I do hope that when we present to the Programme Committee, in October, our work programme for the coming years, there may be one or two proposals in there that respond particularly to the things that we are looking at and discussing with the other Rome-based Agencies. But we will have more developments on that when it gets closer to the Programme Committee.

I think those are the only things that I have to say at this point. Thank you.

### **CHAIRPERSON**

Delegates, I think we have come to the end of this discussion and let me sum up the Commission's conclusion on the matter.

The Commission appreciates the Reports of the Office of Evaluation on a large variety of matters, including substantive technical and administrative areas.

The Commission urges the Office of Evaluation to conduct an evaluation similar to the one of the Near East Regional Office in other Regional Offices.

The Commission supports the increase in the budget of the Office of Evaluation to 0.7 percent.

The Commission agrees that more evaluation of cross-cutting issues should take place.

The Commission underlines the importance of interaction between members of the Programme Committee and the Evaluation Committee of FAO.

The Commission is satisfied with the information about the allocation of USD one million for the Office of Evaluation in the next biennium.

This is the summary of our discussion. Are we in agreement?

**It was so decided**

**Il en est ainsi décidé**

**Así se acuerda**

**Governance Matters**

**Questions relatives à la gouvernance**

**Cuestiones de gobernanza**

**24. Report of the CoC-IEE on the Immediate Plan of Action for FAO Renewal (C 2011/7)**

**24. Rapport du CoC-EEI sur le Plan d'action immédiate pour le renouveau de la FAO (C 2011/7)**

**24. Informe del CoC-EEI sobre el Plan inmediato de acción para la renovación de la FAO (C 2011/7)**

**M. Luc GUYAU (Président du CoC-EEI)**

Merci. Excellence, Mesdames et Messieurs les Délégués. Vous avez devant vous dans le rapport du Comité de la Conférence chargé du suivi de l'évaluation externe de la FAO le CoC-EEI, le résultat des travaux menés à bien et passés en revue au cours des six réunions du Comité que j'ai présidé durant le présent exercice biennal sur l'état d'avancement et les progrès accomplis dans la réalisation de la réforme de l'organisation, à savoir le Plan d'action immédiate (PAI) pour le renouveau de la FAO. Il ressort des efforts déployés, tant par les états membres que par la Direction et le personnel de l'Organisation, une série d'avantages découlant de la réforme, ainsi que des avancés notables touchant notamment la gestion des risques, le changement de culture et la communication. Des progrès significatifs ont été accomplis dans plusieurs domaines fondamentaux qui sont passés en revue dans le

rapport tels que la gestion accès sur les résultats, le fonctionnement comme une seule et même organisation, la gestion des ressources humaines, l'amélioration des systèmes de gestion et d'administration, ainsi que l'efficacité des mécanismes de gouvernance et de contrôle.

Le rapport s'achève par une description des futures étapes de processus de renouveau pendant le prochain exercice biennal. À cet égard, il prévoit en particulier l'intégration du PAI dans le dispositif de gestion et de gouvernance de l'Organisation ainsi que la mise à disposition des ressources humaines suffisantes afin de poursuivre et conclure le processus de réforme qui est désormais bien avancé et sur la bonne voie.

À la lumière de ces éléments, la Conférence est invitée à approuver le Rapport du CoC-EEI sur le Plan d'action immédiate pour le renouveau de la FAO ainsi que le projet de Résolution sur le PAI figurant sur le document C 2011/LIM/15 qui a été adopté par ce même Comité.

En terminant, je voudrais saisir cette occasion pour remercier les Vices-Présidents du Comité, les membres du bureau et les membres dans leur ensemble ainsi que la Direction et le Secrétariat de l'Organisation pour l'étroite et fructueuse collaboration qui a permis de progresser résolument dans la mise en œuvre du PAI et de planifier la poursuite des actions qui porteront la réforme à son terme dans les délais convenus. La réforme n'est toutefois pas une fin en soi et n'est jamais terminée. Nous devons inscrire dans tous les organes de gouvernance l'évaluation et la prospective pour améliorer étape après étape notre gestion, l'efficacité et l'efficacité de la FAO. Je vous remercie.

#### **CHAIRPERSON**

Delegates, the floor is open.

#### **Mr Abdul Razak AYAZI (Afghanistan)**

Under the leadership of the Independent Chairperson of the Council, the draft report of the CoC-IEE was discussed by the Membership on 30 March and 21 April this year, and comments and suggestions were made for further improvement. We are pleased to see that these comments and suggestions have been incorporated in the final Report which is now under consideration by this Commission. We wish to limit our observations to the following five points.

Firstly, prioritization. As the Report indicates, some progress in prioritization has been made but there is more work still to be done. The most important areas for improvement are: better articulation of the areas of emphasis and de-emphasis; clarity between programmatic shifts within and between Strategic and Functional Objectives; the treatment of cross-cutting issues; and the use of recommendations emerging from corporate evaluation in priority setting. It is hoped that the process of prioritization for the PWB 2014-15 will be more consistent, in-depth and transparent.

Secondly, FAO's structure. We think the new headquarters structure is satisfactory but it needs to be kept under close watch in the light of the implementation experience during the current biennium, particularly with respect to the composition of the subunits within each technical division. With respect to decentralized structure, we maintain the view that there may be room for further adjustment. The recent evaluation findings of the decentralized structure of the Near East and North Africa subregion have identified structural weaknesses which need to be corrected. Similar evaluations of other regional offices and subregional offices would contribute further to the streamlining of the decentralized structure within the needs of each region. In short, there can be no one model fits all. A flexible approach to fit the requirements of each region and the wishes of its Members is the right approach to pursue.

Thirdly, human resources. In the last decade there has been an erosion of the critical mass in key technical areas which needs quick fixing. In this respect, some voluntary contributions may be essential but in the long run the remedy in raising the number and proficiency of the professional staff in key subsectors based on the recommendations of the Technical Committees and the Regional Conferences is essential. FAO will be in danger of losing its comparative advantage if the strengthening of staff capacity in key technical areas is not urgently addressed.

Fourthly, governance and oversight. We support the strengthening of the Evaluation Office, the establishment of the Ethics Committee and other aspects of good governance which are all covered under Functional Objective X. We think it is important to point out that in the Programme of Work and Budget 2012-13 Functional Objective X will receive 22.7 percent of the total net appropriation - that is USD 229.1 million. We think this matter needs a closer look with a view to identifying possible areas of efficiency.

Fifthly, the way forward. We agree with the approach proposed in Section IV of the report which describes action for moving forward in the reform of FAO.

**Mr Zoltán KÁLMÁN (Hungary)**

I am honoured to speak on behalf of the European Union and its twenty-seven Member States. The candidate countries to the EU, Croatia, Montenegro, The former Yugoslav Republic of Macedonia and Turkey associate themselves with this statement.

The EU welcomes the Report of the CoC-IEE on the IPA implementation and wishes to emphasize the following points. The EU commends the progress made, appreciates the ongoing commitment of management and Members to FAO reform, and stresses the need to maintain the momentum and increase the urgency of implementation. The support gives a good overview of quantitative and qualitative progress of the IPA. The EU notes that presenting this report is the final act of the COC-IEE and it will not continue after this Conference, as the existing Governing Bodies will take over its responsibilities of monitoring the implementation of the IPA and reporting on its progress.

The EU considers the ongoing reform of FAO, including the full and timely implementation of the Immediate Plan of Action with its culture change to be an over-arching priority. While a lot of progress has been made, the remaining two and a half years of the Reform are critical to make FAO an effective, efficient and results-focused Organization with transparent working methods which are able to make full use of its committed staff and benefit from the full involvement of its Member Nations. The new Director-General will build on the good progress made and the good cooperation and determination among the Member Nations to complete the Reform in order to make FAO one of the best UN Organizations.

The Reform will lead to an Organization that performs well and makes more effective use of the resources available within the integrated budget, thereby building confidence and increasing its ability to attract additional funding. Therefore, the IPA should be fully-funded by Assessed Contributions during the biennium 2012-2013, as proposed in the PWB 2012-2013. The EU is also, within the context of IPA, concerned about the creation of new posts and expects the Secretariat to revise this proposal and to enable the work to be done through transfer within the Organization, and without the creation of new posts.

The EU emphasizes the importance of continuing transparency and accountability in this Reform Process, and the need for separate reporting on IPA implementation also in 2012 and 2013, to the Finance Committee and to the Programme Committee.

Mr Chairperson on staff-related issues, concerning the decentralization, the EU strongly shares the view of the effectiveness of the decentralized offices depends critically on the quality of the staff and urges management to provide as soon as possible the document concerning the benchmarking profile, recruitment, procedures etc. The EU is convinced that one of the main elements is to have a more mandatory rotation policy in place, a training programme and a joint meeting for all the Decentralized Offices in Rome each year, in order to maintain the link within headquarters. As underlined in the CoC-IEE Report, an essential quality is having a deep knowledge of the Organization.

In general, we reiterate the principal of merit-based recruitment. We believe this should be a prerequisite for the FAORs. We expect the Regional Conferences to have a full discussion on the FAO network with the comprehensive background documentation on the present network, including full information on staffing, budgets and costs of each office, as well as alternative proposals from the Secretariat for the revision of the network including all cost implications, so that the Membership is in a position to make informed decisions.

We wish to emphasize the urgent need for FAO to develop a policy on a more mandatory rotation and to implement this, as agreed in the IPA. Highly-qualified staff are a prerequisite for the quality, effectiveness and results of FAO in the field.

The EU would like to take this opportunity to congratulate Mr Manoj Juneja on his appointment as Deputy Director-General, Operations since he takes his office from 1 July. We wish him much success and offer him full cooperation in bringing forward the IPA.

Finally, Mr Chairperson, the EU endorses the report. Thank you very much.

**Mr Mohamed Saleh Fattah ABUBAKR (Egypt) (Original language Arabic)**

The Egyptian delegation would like to begin by thanking the Secretariat for its support and of course we approve of the Organization's reform process.

It is also essential to reach an agreement soon on the Decentralization issue and that agreement should be realistic, while at the same time functional and transparent, since we know that this agreement will have to take into account the ability of the Organization to implement operational programmes in the field. It also needs to allow us to enhance the competence and abilities of the Field Offices, in financial terms and human resource terms. We know that many of the gaps and shortcomings which were highlighted in the Near East Office were related to the poor work of the Decentralized Offices, as the Representative of Afghanistan has said. So, we ask this Secretariat, especially in its new form after the Reform, to take into account the weaknesses and the gaps which have been referred to in the Evaluation Report of the Near East Office, pointing out the fact that the Organization has lost clout and the relevance among many countries of the region, which has allowed other organizations to step in and take its place in the field. Thank you.

**Ms Karen E. JOHNSON (United States of America)**

The US wishes to first acknowledge the hard work and dedication of all FAO managers and staff, both Professional and General Service, who continue to devote significant amounts of time and energy to this massive project, for which results are sometimes obscured by the immensity of the undertaking.

As a Member Nation, we are dedicated to the task of reform. We have invested heavily in formation and the success of the Immediate Plan of Action, and we will continue to press at levels for progress to remain on track and to be completed by the end of the next biennium. The stakes of global food insecurity and malnutrition are simply too high to permit our joint efforts and investments here, over the last years, not to bear fruit.

The new Director-General will take office on January 1st 2012. We call upon Mr. Graziano da Silva and his senior managers to see this project through to completion. We look forward to working with him and his team, to take this work forward on IPA action items that remain incomplete and to ensure that the Governing Bodies contribute adequately to the process of renewal. This is too important an undertaking to fail. While we see many positive changes in the way this Organization does business, in terms of greater transparency, changes to Basic Texts, human resource policies and financial oversight, we recognize that much remains to be done to ensure that the promised culture change lives up to expectations and that FAOs world class knowledge and normative work is effectively translated into meaningful actions at country level.

We wish to highlight the importance of the evaluation function, and the many IPA action items that address this area of work. A key element of the IPA remains governance reforms, for which significant progress has been made. Action Item 2.74 calls for an Independent Review, as an input to assessing the workings of governance reforms, to be completed by 2015. This process will offer us the opportunity to reassess the appropriate size of Council, as well as other aspects of governance.

Two other main areas of focus for our delegation, will continue to be FAO's performance in the human resources and communications areas. Turning PEMS into a meaningful and effective exercise is critical to ensuring the FAO's greatest asset, its staff, is qualified, motivated and able to move up and laterally to improve their professional development. Training is indeed key, and the current systems in

place are inadequate and seemingly arbitrary. In the area of communications, the FAO needs to improve its public perception and its communications internally and externally.

Finally, while management has established processes to coordinate and direct the IPA as a coherent programme rather than separate projects, governing bodies should continue to work with management to better understand the expected outcome of the Reform effort, since the CoC-IEE is being disbanded. In addition, Members should acknowledge the effect of frequent, heavy and time-bound reporting requirements that were required by the CoC-IEE. While governing bodies have a responsibility to provide oversight of the process, this level of oversight may reduce the time available for substantive analytical work on implementation, including regular follow up to the results of the IPA risk management, or risk assessment I should say.

The governing bodies should also make sure there is a realistic and honest resource assessment at the project and programme level of the reform effort, to ensure managers are not overloaded with IPA responsibilities that could result in some benefits not being realized by the Organization.

In closing, I wish to emphasise our support to the FAO management and all FAO staff who have contributed to the progress made so far. We also repeat our call for perseverance on the part of the new Director-General and staff, and to all Member Nations, to see this project through to completion.

**Mr Alf VESTRHEM (Norway)**

Norway would like to join the previous statements in welcoming the progress made on the implementation of the Immediate Plan of Action.

FAO seems to be moving in the right direction. We endorse the proposed resolution on this item.

We note however that there are still risks associated with the completion of the reform and we therefore would like to underline the importance of maintaining momentum, and continued close monitoring, and detailed reporting on the implementation, now that Council itself will be in charge of the oversight functions for the Immediate Plan of Action.

We especially emphasize the need for a Council and the newly elected Director-General to ensure improved priority setting and an efficient FAO functioning as one, including a decentralized system that translates these priorities into tangible results.

**Mr Ammar AWAD (Syrian Arab Republic) (Original language Arabic)**

I speak on behalf of the Near East Group and I shall be brief, Sir.

Firstly, I would like to express our commendation of the report submitted to us, on the Immediate Plan of Action. I would also like to support what Afghanistan and Egypt have said. I reaffirm that it's very important to take into account the observations mentioned in the Evaluation Report of the Near East Office, especially with regard to priority setting.

This Regional Office is more concerned than others by priorities, and is better placed to ascertain the priorities and needs of that region. My colleagues have already said that according to this Report, FAO is losing its clout and credibility in the region, and it has not indicated the reasons for this. One of the reasons is the dearth of resources and I'd like to see that addressed in the near future.

**Mr Kent VACHON (Canada)**

Canada welcomes this report, which highlights the considerable effort of FAO and Members to make FAO fit for the twenty-first century.

These times require strict attention to results rather than outputs; accountability and reallocation of resources to the priorities of today and tomorrow rather than the past. FAO is talking the talk of results-based management and now management and Programme Committee together have to walk the walk. Thus far, direction and proposals from management have not adequately lent themselves to the establishment of a real hierarchy of priorities. It has not been clear enough about the resources required to support proposed courses of action or about the potential to reallocate internally to higher priorities. Management must be more open and transparent with itself and the Governing Bodies

regarding where its comparative advantages and technical expertise lay and accept that it should not try to be all things to all people.

This Report correctly calls upon the new Director-General and his team of Regional Directors, together with the regional conferences, to thoroughly review the decentralized offices network. There is much room for improved service delivery to countries at less cost, especially by accompanying rationalization with continued professionalization of the FAOR cadre. The new Director-General and the Senior Management Team will need to build upon Culture Change effected to date. A knowledge organization cannot be top down and bureaucratic and still expect to stay relevant in the information age.

There is still much to be done to instil proper performance management in FAO and managers that do not buy into the new FAO should be shown the door.

Finally, Canada wants a diverse and gender-balanced FAO workforce that is distinguished first and foremost by its excellence. International Civil Servants are an expensive resource and Member Nations should expect the very best for their money. There are a great many excellent and dedicated FAO staff members; they should be both the standard and the norm.

**M. François PYTHOUD (Suisse)**

Tout d'abord la Suisse remercie le Secrétariat de ce Rapport. Nous constatons avec satisfaction que durant la période sous revue des progrès qualifiés de satisfaisants ont été réalisés dans la mise en œuvre du PAI. Afin de maintenir le momentum, nous aimerions encourager la FAO à augmenter ses efforts au cours des prochains mois, notamment dans les trois domaines suivants: (i) la fixation des priorités; (ii) la décentralisation; et (iii) l'établissement d'une stratégie en matière de partenariat, notamment avec le secteur privé.

**CHAIRPERSON**

Thank you Switzerland, short and sweet. Any other persons requiring the floor please. I can see no flag, so may I return to the Chairman of the CoC-IEE for some comments and explanations. Thank you.

**M. Luc GUYAU (Président du CoC-EEI)**

Merci. Je donnerai la parole au Secrétariat pour des explications plus précises, mais je voudrais dire comme je l'ai dit dans mon introduction que cette réforme, bien sûr n'est pas terminée et comme vous l'avez demandé il faut maintenir l'élan et que malgré tout, il n'y aura plus de Comités du CoC-IEE mais le Conseil, en permanence, devra se saisir des évolutions qui seront encore à venir parce qu'une réforme, ce n'est jamais vraiment terminée.

Donc il est convenu que dans le programme du Conseil, il y ait toujours un temps pour faire l'évaluation et les questions qui se posent et nous verrons à l'usage si nous avons besoin de faire tel ou tel petit groupe *ad-hoc* pour approfondir une question.

Mais, pour le reste, je préfère donner la parole au Secrétariat s'il y a des questions plus précises mais je vous remercie quand même du soutien et de la volonté que vous avez affirmé de dire que cela n'est pas le moment de s'arrêter, il faut continuer, il faut aller jusqu'au bout.

**Mr David BENFIELD (Director, Immediate Plan of Action Programme Management Unit)**

Thank for the those comments and the encouragement from the delegates. Management is very well aware of some of the key challenges as we move forward towards the final biennium of this renewal programme, and in particular some of the challenges we face in terms of prioritization and also in the areas of decentralization and partnerships and the importance of culture change in making the effect truly long-lasting.

In terms of our commitment to see the reform programme through to a successful outcome, at the end of 2013, we are very well aware of the IPA being the result of cooperation between Members and also between Members and management, and of the very significant challenges that we faced at the beginning of the programme when we were looking at over 230 different individual IPA actions. As

we move past the half-way mark in the Reform, we now have far fewer actions, and we are now moving to a smaller number of complex, difficult and risk-laden IPA actions to complete.

Can I say that Management attention, as we look towards the next two years, will be focused on managing the risks of those actions and ensuring that not only do we complete those actions but that we complete those actions and ensure that the benefits which were foreseen when the IPA programme itself was put together are fully realised. And this is one of the reasons why we concentrate very much in our reporting on the qualitative, as well as the quantitative, analyses of our progress.

Thank you very much.

#### **CHAIRPERSON**

Thank you very much, Mr. David Benfield.

Let me summarize the conclusions of this session.

The Commission commends the report. It agrees that the organizational structure of FAO, currently is satisfactory, but it needs to be kept under scrutiny. More evaluations are necessary to highlight weaknesses in the Regional Offices. Measures proposed in Section of the document are fully supported.

The Commission noted the document on benchmarking of Human Resources policies, including rotational policy.

The Commission agrees that the work on prioritization should continue and that the work on emphasis and de-emphasis of priority setting, should be based on the results of evolution.

The Commission agrees that in the absence of CoC-IEE, separate reporting on IPA implementation should be provided in the Finance and Programme Committees.

Furthermore, it welcomes the recommendations of the report of the rationalized decentralized structure.

The Commission underlines the importance of partnerships in the future work of FAO.

These are the conclusions, I hope it matches your expectations. If it is, can we then conclude this section?

**It was so decided**

**Il en est ainsi décidé**

**Asi se acuerda**

**25. Report of the Open-ended Working Group on measures designed to increase the efficiency of Governing Bodies, including representation (C 2011/28)**

**25. Informe del Grupo de trabajo de composición abierta sobre medidas destinadas a aumentar la eficiencia de los órganos rectores, incluida la representación (C 2011/28)**

**25. Rapport du Groupe de travail à composition non limitée sur les mesures à prendre pour accroître l'efficacité des organes directeurs, y compris leur représentation (C 2011/28)**

**M. Luc GUYAU (Président du CoC-EEI)**

La Présidence de ce groupe de travail, je fais quelques introductions. Comme son titre l'indique, le groupe de travail à composition non limitée a reçu pour mandat lors de la Conférence 2009, de formuler des recommandations sur les mesures à prendre pour accroître l'efficacité des organes directeurs y compris leur représentation. Le présent rapport est le résultat des travaux effectués par ce groupe de travail au cours des trois réunions qui ont été tenues lors de l'exercice 2010/2011 en juillet et en septembre 2010 et en février 2011, et dont il a été rendu compte dans des rapports intermédiaires présentés au Conseil à l'issue des ces réunions.

Ces travaux effectués et les progrès réalisés sont relatés dans le rapport de façon synthétique. Ils ont porté sur plusieurs questions, à savoir la composition du Conseil, les modalités de travail des Comités

techniques, y compris la durée et les modalités des sessions du Comité de l'agriculture et des Comités des produits, les délais de publication et la fiabilité des documents des organes directeurs, le recours aux technologies modernes pendant et entre les sessions des organes directeurs et, enfin, les méthodes de travail du Conseil. Le Conseil s'est félicité des progrès accomplis par le groupe de travail.

Aujourd'hui la Conférence est invitée à entériner l'avis du Conseil en approuvant les recommandations contenues dans ce rapport sur les modalités de travail des Comités techniques sur la durée et les modalités des sessions du Comité de l'agriculture et du Comité des produits, sur les délais de publication et la fiabilité des documents des organes directeurs et sur le recours aux technologies modernes pendant et entre les sessions des organes directeurs.

En ce qui concerne la composition du Conseil, je rappelle qu'elle sera examinée en séance plénière au point 28, prévue vendredi après-midi. Je voudrais aussi redire qu'il est aussi essentiel, qu'à l'intérieur du Conseil, nous prenions des initiatives, que nous engagions des réflexions au fur et à mesure pour améliorer son fonctionnement ainsi que la relation et le fonctionnement des Comités et donner au Conseil sa pleine dimension, celle d'un organe exécutif, de prospective et de contrôle pour la FAO.

Je vous remercie du travail réalisé pendant ce groupe et je vous remercie aussi de votre attention.

#### **CHAIRPERSON**

Delegates, the floor is open for comments and questions.

I take it we are all satisfied with the presentation by Mr Guyau on the Report of the Open-ended Working Group on measures designed to increase the efficiency of the governing bodies.

I have been advised that we can take a break now and resume the afternoon session at 14.30.

#### **Mr Zoltán KÁLMÁN (Hungary)**

Mr. Chairperson, I wanted to thank you very much for giving me the floor and wanted to kindly ask if it would be possible to read the statement on Agenda Item 25 after the lunch break, if it is possible, because we have at 1 o'clock a signing ceremony in the Iran Room.

Would it be possible to read the statement on Item 25 after the lunch-break, please?

#### **CHAIRPERSON**

It will be possible to do that.

I declare the morning session closed. We will see you at 2.30 pm. Thank you very much.

**The meeting rose at 13:00 hours**

**La séance est levée à 13 h 00**

**Se levanta la sesión a las 13:00 horas**

# CONFERENCE CONFÉRENCE CONFERENCIA

<b>Thirty-seventh Session Trente-septième session 37.o periodo de sesiones</b>
<b>Rome, 25 June – 2 July 2011 Rome, 25 juin – 2 juillet 2011 Roma, 25 junio – 2 de julio de 2011</b>
<b>SECOND MEETING OF COMMISSION II DEUXIÈME RÉUNION DE LA COMMISSION II SEGUNDA REUNIÓN DE LA COMISIÓN II</b>
<b>27 June 2011</b>

The Second Plenary Meeting was opened at 14:54 hours

Mr Yaya Olaniran

Chairperson of Commission II, presiding

La deuxième séance plénière est ouverte à 14 h 54

sous la présidence de M. Yaya Olaniran,

Président de la Commission II

Se abre la segunda sesión plenaria a las 14:54 horas

bajo la presidencia de ls Sr. Yaya Olaniran,

Presidente de la Comisión II

**Governance Matters** (continued)

**Questions relatives à la gouvernance** (suite)

**Cuestiones de gobernanza** (continuación)

**25. Report of the Open-ended Working Group on measures designed to increase the efficiency of Governing Bodies, including representation** (C 2011/28) (continued)

**25. Informe del Grupo de trabajo de composición abierta sobre medidas destinadas a aumentar la eficiencia de los órganos rectores, incluida la representación** (C 2011/28) (suite)

**25. Rapport du Groupe de travail à composition non limitée sur les mesures à prendre pour accroître l'efficacité des organes directeurs, y compris leur représentation** (C 2011/28) (continuación)

## **CHAIRPERSON**

I call this session to order.

You will recall that before we had the break, Hungary asked for the floor on behalf of the European Union. Hungary could you please take the floor.

### **Mr Zoltán KÁLMÁN (Hungary)**

I am honoured to speak on behalf of the European Union and its 27 Member States. The candidate countries to the EU, Croatia, Montenegro, The former Yugoslav Republic of Macedonia and Turkey associate themselves with this statement.

The EU notes the work done by the Open-ended Working Group (OEWG), but with the submission of this report the OEWG finished its work and should not have any more meetings after the Conference. The EU notes that several recommendations made at the 141st Session of the Council were not incorporated in the final report. We asked for a comprehensive report which would include references or information regarding all governing bodies.

Also, text on the important new role for regional conferences should have been added to the report. Inputs from the Programme Committee and Finance Committee discussions of their Multi-Year Programme of Work (MYPOW) implementation should have been incorporated in the report as well. For efficient governing bodies' meetings, especially the Council, the opportunity for Member States to have a good dialogue with the FAO Director-General and senior management will increase effectiveness, transparency and accountability in the Organization.

With regard to the number of Council seats, the EU position is well known. The EU believes that in the long term, an executive-board type Council should be established. However, we could accept the maintaining of the status quo. The EU believes that an increase in the number of seats would not directly translate in an increase of efficiency and effectiveness of the Council.

The EU wishes to underline the importance of reaching a solution on this important issue.

The EU welcomes the proposal of the Independent Chair of the Council on timeliness of documents in the proposal of the Independent Chair of the Council, and urges the Secretariat to ensure that documents are available two to four weeks before meetings. The late arrival of documents, for example for the Programme Committee meetings this year, is obstructed Reform efforts and the work of the Governing Bodies in general. This cannot be accepted.

The EU also supports the initiative of having more focus and action-oriented documents, more effectively conducted debates with clear and concise summaries by the Chairperson and the use of new technologies.

To assist the Independent Chair of the Council in intersessional work, the EU recommends using the already existing informal structures. The creation of a bureau should not lead to a cost increase.

We note that according to the decisions taken by the 141st Session of the Council, the duration of the CCP and COAG will be extended. Nevertheless, we stress that the technical committees should still look for more efficient working methods. Because of many interrelated issues such as climate change, the EU believes that closer cooperation between the technical committees is needed, for example

through joint meetings of the respective bureaus in preparation for the next sessions of the technical committees. The EU urges the Secretariat to make proposals in this regard. Mr. Chairperson, we expect the Secretariat to inform the Membership of the cost implications of all proposed changes in the working methods of the governing bodies prior to decision making so that informed decisions can be made.

We fully support the initiative of using more information and communication technologies in support of governing bodies. This should lead to greater transparency, easier access to information and cost savings.

Concerning the implementation of FAO Reform and the Immediate Plan of Action, the EU recalls the decisions taken at the Conference of November 2009, namely Resolution 8/2009 concerning the implementation of the Immediate Plan of Action regarding the Council of FAO. In this regard, the EU considers the revision of the Council's working methods should take into account its new functions, particularly those concerning the monitoring of the performance of the Organization against established performance targets.

Finally, Mr. Chairperson, we welcome a more active role foreseen for the Independent Chairperson of the Council in the IPA. We also think that the Council report should be sent to the ICC, not only for information, but also for revision, where necessary, before being transmitted to the Drafting Committee. The draft report should be the draft of the Chair.

Lastly, the EU attaches great importance to the implementation of Resolution 9/2009 regarding the roles of the ICC for the effectiveness of the Council work.

#### **CHAIRPERSON**

Delegates, I just want to remind us that this aspect of our work was closed. Before Hungary made the request and it was granted. The only issue that I feel may be looked at with respect to the Council is that of membership and I did say at the beginning of the meeting that the membership issue has been moved to the Plenary and that still remains. So we will not discuss anything about the membership here, as it has been moved to Plenary.

I want to believe that the EU information has been tabled and it should be passed on to the Chairman of the Open-ended Working Group for its use. We do not want it discussed here because, if you remember, we have closed that particular exercise, but I am in your hands.

#### **Sra. María del Carmen SQUEFF (Argentina)**

Deseo felicitar y desear mucho éxito en el trabajo de esta Comisión.

Mi pedido de aclaración se refiere al tema de la membresía, y comparto con usted que es un tema para ser tratado en la Plenaria. Cuando hablamos de membresía nos referimos no solamente al número de Miembros del Consejo, sino también a la posible mesa o junta del Consejo y también nos estamos refiriendo a las mesas de los Comités Técnicos. ¿Entendemos por membresía las tres opciones? Si es así, nosotros preferimos dejar nuestra intervención para la Plenaria, de lo contrario realizamos nuestra intervención en este ámbito.

Antes de terminar quiero felicitar al Presidente Independiente por el trabajo realizado, como así también al Grupo de Trabajo de Composición Abierta.

#### **CHAIRPERSON**

Syria is it to discuss this issue or, as it was said earlier on, is to be passed on to Plenary?

#### **Mr Ammar AWAD (Syrian Arab Republic) (Original language Arabic)**

I am now speaking on behalf of the Near East Group and this is to join my friend from Argentina about membership. The representative of the European Community has just mentioned this, so if it is a point of information, very well, otherwise I would have something to say about the quality of members. Otherwise, we can leave this until Friday for discussion in the Plenary.

**CHAIRPERSON**

Thank you very much Syria. I think, as I said, it is for information and the substantive issue will be discussed at Plenary.

**26. Multi-year Programme of Work of the Council (C 2011/29)**

**26. Programme de travail pluriannuel du Conseil (C 2011/29)**

**26. Programa de trabajo plurianual del Consejo (C 2011/29)**

**CHAIRPERSON**

Could we move to the next item please, on the agenda.

Let us proceed further with the agenda and look at Item 26, Multi-year Programme of Work of the Council. The document is C 2011/29.

Before inviting the delegations to take the floor on this item, I will ask the Independent Chair of Council to make a short introduction.

Mr Guyau, you have the floor.

**M. Luc GUYAU (Président du CoC-EEI)**

J'ai le plaisir de présenter à la Conférence le Rapport sur le programme de travail pluriannuel du Conseil pour 2010-2013. Il s'agit d'un rapport d'étapes élaboré conformément aux prescriptions du PAI pour examen et avis par la Conférence.

Le Programme de travail pluriannuel contenu dans le Rapport a été approuvé par le Conseil à sa Cent-quarantième session en novembre et décembre 2010. Il est le fruit de consultations informelles entre les membres au cours desquelles le projet de programme a été enrichi par les apports des uns et des autres. Depuis l'adoption du Programme de travail pluriannuel, le Conseil ne s'est réuni qu'une seule fois en avril dernier, c'est pourquoi le rapport d'étapes est succinct. La Conférence pourra néanmoins prendre note des observations préliminaires figurant dans le rapport sur certains des résultats: conclusions et activités et fournir d'éventuelles orientations pour le futur.

La Conférence est également invitée à entériner le Programme de travail pluriannuel du Conseil pour 2010-2013. Bien sur, ce plan est essentiel pour programmer le travail du Conseil et nous devons pouvoir y adjoindre, malgré tout, des initiatives conjoncturelles pour suivre l'actualité quand cela sera nécessaire.

**CHAIRPERSON**

The floor is now open for discussion.

Could we have a list of delegates who may want to contribute. Yes, Canada, Hungary, Canada.

Ok, we will start with those two. Hungary first, and then Canada.

**Mr Zóltán KÁLMÁN (Hungary)**

I am honoured to speak on behalf of the European Union and its 27 Member States. The candidate countries to the EU, Croatia, Montenegro, The former Yugoslav Republic of Macedonia and Turkey associate themselves with this statement.

The European Union welcomes the Council Multi-year Programme of Work and is convinced that it will assist FAO to act in a results-based manner. This is an important step forward in the reform process.

The EU agrees that the rolling agenda needs to be scrutinized and approved by the Council at each session. We would suggest that the MYPOW's Annex should be a standing item on the Council's agenda.

The EU acknowledges that the document on the Status of Implementation of Council Decisions is concise and focused on results, but it should mention 'implemented' or 'not yet implemented' for each

Council decision and give reasons for the non-implementation of certain actions and a timetable for the due implementation.

In order for the Council to exercise its executive function, the rolling agenda should also include a mid-term performance evaluation of FAO's PWB every year. These evaluations are mentioned in Part E of the Multi-year Programme of Work. They can be based on the Programme and Finance Committees' reports or on the Programme Implementation Report.

Such substantive issues could also be discussed as part of the executive function of the Council. Relevant subjects, in this regard, could be the human resources policy, oversight, evaluation policy or decentralization. These Council discussions should be preceded by discussions of these matters in the Finance and Programme Committees.

**Mr Kent VACHON (Canada)**

The Multi-year Programme of Work (MYPOW) represents a step forward in governance and does a thorough job of setting out Council's responsibilities. It provides the vehicle for Council to debate and take charge of its forward agenda. It allows Members to think strategically about how the governance function should use its time to best effect. We now need to develop the collective reflex that the Council agenda is our agenda. The Council's November meeting should be prepared to flesh out the workplan for 2012-13 drawing from the list of substantive issues listed in the Appendix to this document.

Canada thanks the Independent Chair for his preliminary progress report. It provides a useful summary of Council's work, though in the spirit of accountability it should have been clear in that text that Council failed in its duty to recommend the content and level of the budget to this Conference. We call upon the Independent Chair to do everything in his power to ensure that Council exercises all its duties with respect to the 2014-15 Programme of Work and Budget.

**Mr Neil FRASER (New Zealand)**

We note that Council adopted its first Multi-year Programme of Work at its Hundred and Fortieth Session in November 2010. Hence, there is not yet much experience by which to meaningfully assess the quality and value of the process to date. In our view this document indicates that a reasonable start has been made but also that the process has not yet fully developed and that there is room for improvement in the planning process. No doubt this will occur with experience on a learning by doing basis and with suggestions for improvement by Members.

**Mr Wilfred J. NGIRWA (United Republic of Tanzania)**

We very much appreciate the efforts of the Independent Chair of the Council to come up with the MYOPW that will guide the Council's work.

We believe that this is a process which has started and we would like to recommend that, in its implementation, the Council may wish to review the progress and, if need be, the programme of the activities depending on the situation. Otherwise, we are in full agreement with the document.

**CHAIRPERSON**

Any other comments? If there are no other comments, I think I will give the floor to Mr. Guyau.

**M. Luc GUYAU (Président du CoC-EEI)**

Merci à chacun d'entre vous pour l'appui de ce que nous avons préparé ensemble concernant l'évolution du Conseil et là aussi, vous l'avez remarqué à plusieurs reprises, nous avons fait cet état des lieux pendant le biennium, c'est-à-dire que nous n'avons pas encore beaucoup de recul sur cette évolution là. Je veux bien réaffirmer, comme cela a été dit, qu'il y a bien une succession dans la gouvernance avec le rôle et les missions du Comité financier, du Comité du Programme, du CCLM qui revient en débat au Conseil et c'est bien dans cet ordre là, mais cela n'empêche pas que le Conseil peut avoir à poser des questions par la suite au Comité du Programme et Comité financier. Cela est la première chose.

Deuxièmement, je prends acte de ce que le Représentant du Canada a dit en ce qui concerne le fait que nous n'avons pas pu réaliser ce qui a été demandé dans le cadre du fonctionnement du Conseil - ce qui sous entend la décision d'une proposition sur le budget pour la Conférence. Permettez-moi de vous faire remarquer que, dû à la réduction du biennium de 24 à 19 mois, le temps réduit n'a pas permis de réaliser les résolutions qu'il nous faut impérativement atteindre la prochaine fois. Pour cette raison, le Secrétariat, le Comité financier et le Conseil devront faire en sorte d'obtenir cette proposition de budget pour la prochaine Conférence. Malgré les progrès obtenus grâce aussi aux trois réunions des Amis du Président, nous n'avons pas eu suffisamment de temps pour prendre une décision à cet égard.

Troisièmement, dans les ordres du jour, nous avons intégré une des réflexions importantes évoquée au Conseil, c'est ce que certains ont appelé «le roulement», et que je traduit par l'évaluation permanente. A chaque Conseil, nous devons prendre un temps pour faire l'évaluation du Conseil et l'évaluation des prises de décision du Conseil précédent. C'est la meilleure façon pour s'assurer que chaque action a bien été engagée et suit bien le Programme.

C'est vrai que ce sont des procédures qui se mettront en place progressivement mais je pense que nous seront très rapidement opérationnels à ce sujet, le temps de l'évaluation du Conseil de l'évaluation des décisions qui ont été prises au Conseil précédent.

#### **CHAIRPERSON**

May I sum up the discussion and conclusion? The Commission agrees that the MYPOW should be a standing item on Council's agendas. It has also been noted that the MYPOW is useful as a planning mechanism. The Commission agreed that the November session of Council should prepare a substantive plan for 2012-2013 based on the list of items listed in the Appendix to this document. Are we in agreement? I can see nodding of heads. It is therefore decided. Thank you very much.

#### **Programme and Budgetary Matters**

##### **Questions relatives au Programme et au budget**

##### **Cuestiones programáticas y presupuestarias**

**23. Medium Term Plan 2010-13 (Reviewed) and Programme of Work and Budget 2012-13 (Draft Resolution on budget level)** (C 2011/3; C 2011/LIM/4)

**23. Plan à moyen terme 2010-2013 (révisé) et Programme de travail et budget 2012-13 (Projet de résolution relative au montant du budget)** (C 2011/3; C 2011/LIM/4)

**23. Plan a plazo medio para 2010-13 (revisado) y Programa de trabajo y presupuesto para 2012-13 (proyecto de resolución sobre la cuantía del presupuesto)** (C 2011/3; C 2011/LIM/4)

#### **CHAIRPERSON**

Let us now proceed to the main agenda, Item 23, Medium Term Plan 2010-13 Revised and Programme of Work and Budget 2012-15. Documents C 2011/3 and C 2011/LIM/4 refer.

Before inviting delegations to take the floor on this item, I would ask Mr Haight, Director, OSP, to make a short introduction, but before he does, permit me to make a brief comment. It has been on my mind going through all that we have been able to do together. I know that we are trying to look at all the work that we have accomplished over the past two years. The positions have gone through the Programme Committee, the Finance Committee, and have been debated jointly among ourselves from that day.

I just want us to agree, as we have always done, that we have a common objective. I know that we have the commitment and have the trust, Let the common purpose based on shared values radiate in these discussions so that we can make progress. I have said to a number of colleagues that I believe that part of the reform of FAO will be the culture change for us, the membership. We may start with this paradigm shift of not burning the midnight oil. On this note, I will call on Mr Haight to please lead us. Thank you.

#### **Mr Boyd HAIGHT (Director, Office of Strategy, Planning and Resources Management)**

I am pleased to introduce the Director-General's proposed Programme of Work and Budget 2012-13 in the context of the reviewed Medium Term Plan 2010-2013.

The elements of the proposal are found in document C 2011/3, which was issued three months before the Conference, as called for in the Basic Texts. In addition, five information notes were issued during April and May at the request of the Programme and Finance Committees, and to provide the latest information.

Now I am going to run through here – for some of you it may be a repeat but there are others, delegates, who may not have been here during the earlier presentations, so please bear with me.

I would like to touch on the process used to prepare the proposal, or what we aim to achieve in the next biennium by highlighting six main elements, and recall two areas of additional information.

Now the proposed PWB has been prepared using a collaborative process as you, Mr Chairman, have just highlighted. The Conference, and I will recall that this is the first PWB to have been prepared within the full cycle of formal governance inputs under the new results-based planning process approved by the Conference in 2009. May I add here that really we only had one year to carry out that process between about March 2010 until we issued the document in March 2011. Now the proposed PWB is informed by priority areas of work identified by the five Regional Conferences and the five Technical Committees that met during 2010 and early 2011. The preparation of the PWB has also benefited from the guidance provided by the Programme Committee on priorities and by the Finance Committee on financial matters, and most recently from guidance provided by the Council.

Within the Organization, multi-disciplinary Strategy Teams for each of the Strategic and Functional Objectives have played a leading role in preparing the proposal. They have worked to build an internal consensus as to how FAO can most effectively achieve the Organizational Results with defined contributions from divisions and offices across the house. Regional Strategy Teams have formulated Regional Results to address the regional areas of priority action that have agreed by the Regional Conferences, and which contribute to the Organizational Results.

This PWB aims for a more effective and efficient FAO, to address the critical challenges faced by the international community and by individual countries in food and agriculture. It focuses FAO's work on achieving agreed results set out in the Medium-Term Plan, being measurable outcomes on the ground. The PWB also reflects the determination of the Organization and the Director-General to implement the reform and renewal agreed in the Immediate Plan of Action. In designing the PWB, every effort has been undertaken to make the most effective and efficient use of the Organization's resources, at a time of difficult economic and financial circumstances for many Members and the consequent need for fiscal discipline in public expenditure.

Now there are six key elements of the proposal which I would like to highlight for your consideration.

Firstly, the results frameworks in the Medium-Term Plan have been reviewed and sharpened. The review has focused on improved formulation of the indicators, baselines and targets. These changes are highlighted in Section IV and Annex 14 of the document.

With regard to Functional Objective X relating to Effective Collaboration with Member Nations and Stakeholders, it covers four sets of essential non-administrative services provided by several offices in the Organization. These include support to core functions, programme delivery, information technology services, corporate communication and advocacy, and support to enhanced governance and oversight. Information Note 2 provides the information on the budgeted resources for each contributing office under Functional Objective X, the key services to be delivered and the areas of emphasis and de-emphasis in the coming biennium.

The second key element relates to priorities for the technical work of the Organization, which are expressed as areas of programmatic emphasis and de-emphasis within and between the agreed Strategic Objectives. This initial attempt at setting priorities was guided by the outcomes of the regional conferences and the technical committees, the recommendations of relevant evaluations and lessons learned from the implementation in 2010. Information relating to the areas of emphasis and resource comparisons is available in Section IB of the document, and further elaborated in Information Note 1.

The third main element relates to the priority given to concerted implementation of the reforms in the Organization. The IPA is fully mainstreamed in the net appropriation to deliver six main benefits. These are managing for results; human resources renewal; culture change; decentralization and partnerships; enhanced administrative and management systems; and effective governance and oversight. The financial plans were developed based on delivery capacity, sustainability, and integration with the regular work of the Organization.

The fourth element is our continued commitment to efficiency savings. As elaborated by the Director-General in his statement to the Conference this morning, the Organization has been vigorously pursuing efficiency savings since 1994 through the reduced cost of inputs, improved cost recovery measures and productivity gains, while protecting substantive programmes.

The fifth key element I would like to highlight is the resource requirement presented in the integrated budget. The Conference will recall that the results frameworks in the Medium-term Plan are designed to deliver outcomes based on all the resources made available to the Organization, that is through the budgetary appropriation to be voted by Conference, and through estimates of voluntary contributions.

With regard to the level of estimated voluntary contributions, this estimate is derived from operational and pipeline projects that have budgets in 2012-13. However, the level of assurance of this estimate is relatively low compared with the current biennium, as can be seen in Annex IV of the document, and it will be revised based on the most updated information after the Conference.

The sixth main element relates to measures to improve the financial health of the Organization. The Council at its Hundred and Forty-first Session, while agreeing with the Finance Committee on the need to take additional steps to improve the financial health of the Organization, noted that the incremental funding proposals did not appear feasible at the moment given the current economic situation. The Council recommended deferral to future biennia of replenishment of the Working Capital Fund and the Special Reserve Account, as well as the incremental funding of the Terminal Payments Fund past service liability. As for the 2012-13 biennium, the Council recommended that the Organization continue to follow the approach previously approved by the Conference of partial funding of USD 14.1 million towards the After-service Medical Coverage past service liability, to be revisited in future biennia.

Mr Chairperson, I would like to highlight two areas where additional information has been provided by the Secretariat during the meetings of the group of 'Friends of the Chair' of Council over the past two months.

First, I would like to refer to the level of cost increases. Information Note 4 reflects the latest information on cost increase assumptions and estimates, which became available in late April arising from the findings and decision of the Seventy-second Session of the International Civil Service Commission (ICSC), as well as new information on non-staff costs. This new information resulted in a downward adjustment of the 2012-13 cost increase estimate by USD 10.2 million, that is from USD 48 million to USD 37.8 million. Therefore, the proposed net budgetary appropriation for 2012-13 is reduced from USD 1,057.1 million to USD 1,046.9 million.

The second area of additional information I would like to highlight relates to further efficiency savings and gains beyond those presented in the PWB document. As he mentioned this morning, the Director-General is mindful of the need to minimize the impact of the budget level on Members' Assessed Contributions in this period of difficult economic and financial conditions. He is, therefore, committed to finding further savings to mitigate the effect of anticipated cost increases on the level of the budget for implementing the proposed Programme of Work and Budget in 2012-13, while protecting substantive programmes. He has identified five areas where the Organization will pursue further efficiency savings measures, without affecting the technical and field programmes during the next biennium.

The first area relates to the post establishment. In order to ensure flexibility in the implementation of the programme of work, the Secretariat continues to review the post establishment with the aim to limit post increases which are not directly linked to the IPA programme or the re-allocation of the one-time savings. Areas under review, in order to limit the increase in budgeted posts, fall under

Functional Objectives X and Y and include Liaison Offices, Security Services, support services and the staffing of the Office of Corporate Communications and External Relations, and the Office of Knowledge Exchange, Research and Extension.

The second area relates to reductions in the planned volume of travel. The PWB includes efficiency savings arising from the reductions in the unit costs of travel. Going further, the Secretariat will seek to reduce the planned volume of duty travel, through improved management of travel proposals and increased use of tele-conferencing and video-conferencing whenever feasible.

The third area of additional savings is in rationalizing the preparation of publications. As set out in paragraphs 207-208 of the PWB document, a system-based Information Product Planning tool is being developed to help technical document originators better plan their information products. Savings had not been quantified when the PWB was prepared earlier this year. We expect such savings to arise through more precise targeting of information products, including language coverage and selectivity through stronger links to unit results. We plan to accelerate efforts to put the tool into use and to quantify the savings expected during the next biennium.

The fourth area is improved cost recovery for administrative and operational services and technical support provided to extra-budgetary programmes. We have prepared proposals to improve administrative and operational cost recovery from extra-budgetary activities in areas such as country-level costs, security and information systems and technology. These proposals will be presented for consideration by the Finance Committee at its October 2011 session. Also efforts to improve recovery of technical support services will focus on simplifying the process for claiming reimbursements.

The fifth area of savings focuses on opportunities to substitute assessed contributions with Core Voluntary Contributions, where appropriate. Core Voluntary Contributions include Trust Funds that support core activities at global and regional levels, providing direct support to the Regular Programme, as well as direct contributions received from partners such as the World Bank Cooperative Programme and the WHO contribution to Codex Alimentarius Commission. Additional Core Voluntary Contributions could be used to support work now funded from the Net Appropriation in the PWB, such as some of the IPA investment costs; Strategic Objectives, Organizational Results or cross areas of work through the FAO Multi-partner Mechanism; funding of core work through the global strategies for animal genetic resources and for improved agricultural statistics, which are, in fact, being considered by Commission I; and funding of core work under the Impact Focus Areas, particularly the Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases, known as EMPRES.

Finally, the Conference will recall that in the last two biennia the Secretariat was requested to find further savings, beyond those proposed in the PWB, while delivering the agreed programme of work. Through these five areas I have just identified, we are committed to redouble our efforts to find further savings again during this upcoming biennium.

Finally, Mr Chairperson, for the first time we will have the opportunity to adjust the Programme of Work and Budget proposals after the Conference based on your decisions and guidance.

With this brief overview, we look forward to the outcome of your deliberations on the proposed Programme of Work and Budget for the next biennium. The Secretariat stands ready to provide any clarifications and additional information that you may require to facilitate your discussions.

#### **CHAIRPERSON**

The floor is open and we will take the list of the first few speakers and, as we go along, we will update it. Hungary. Any other speakers? Brazil, Japan.

For now we have Hungary, Brazil, Japan and the United Republic of Tanzania.

Hungary, you have the floor.

**Mr Zóltan KÁLMÁN (Hungary)**

I am speaking on behalf of the European Union and its 27 Member States. The candidate countries to the EU, Croatia, Montenegro, The former Yugoslav Republic of Macedonia and Turkey associate themselves with this statement.

The European Union would like to thank the FAO Secretariat for the documentation regarding this agenda item. We recognize and appreciate the work put into the preparation of the Medium Term Plan as well as the Programme of Work and Budget by the management and staff of the Organization.

The European Union considers the ongoing reform of FAO, including the full and timely implementation of the Immediate Plan of Action with its cultural change, to be an overarching priority.

The reform will lead the Organization to a better performance and to make more effective use of resources available within the integrated budget thereby building confidence and increasing its ability to attract additional funding. Consequently, in order to reach its full funding we agree that the IPA should be fully funded by assessed contributions during the next biennium as proposed in the Programme of Work and Budget 2012-2013.

The European Union and its Member States are the biggest provider of voluntary contributions to the FAO, and we stand ready to continue supporting the work of the Organization as reform progresses and other performance improvements and efficiencies are demonstrated.

The European Union welcomes the healthy status of Members' payments of current assessments and the lowest levels of arrears of contributions. The European Union encourages Member States to continue to pay their contributions in arrears in a timely manner and without conditions. We also call upon management to review and report on the measures introduced to improve prompt payment of contributions in arrears by Member States, particularly those concerning the incentive scheme for prompt payment of contributions whose efficacy has been proven.

On the longer-term financial health of FAO, the European Union appreciates the extensive analysis provided by the Secretariat.

The European Union has taken note of the reviewed Medium Term Plan for 2010-2013 and the Programme of Work and Budget 2012-2013. The European Union notes that the Secretariat has produced a document that tries to take the guidance of the Governing Bodies of the Organization into consideration. The Member-led prioritization process needs to be fully implemented in the next two years.

With regard to the Programme of Work and Budget 2012-2013, the European Union welcomes the new results oriented format of the document that gives Members the opportunity to view the budget in an integrated manner, including assessed as well as voluntary contributions and provides the basis for a more transparent and open prioritization process.

The European Union acknowledges that the new results-based planning is work in progress and needs more than one cycle to be fully effective.

The European Union urges the Secretariat to continue the improved level of information provided and would furthermore appreciate additional differentiation of financial and human resources. We expect further development of the budget format in order to take full effect on the next planning period.

The European Union expects further improvement of the priority-setting process of the governing bodies in collaboration with the Secretariat.

The European Union refers to the discussions on the proposed Programme of Work in Budget in the Friends of the Chair meetings and notes the additional information provided by the Secretariat.

In that context, we welcome the positive effects on the budget of the decisions made by the International Civil Service Commission and of the revision of cost estimates for goods and services.

The European Union fully supports the consolidation of all Shared Services Centre functions in Budapest which will lead to savings estimated at almost USD two million per biennium. The proposal is already reflected in the Programme of Work and Budget proposal for 2012-2013. This means that if the proposal from the Secretariat is not adopted, additional savings of about USD two million per biennium will have to be found elsewhere.

Regarding the proposed increase of the level of the evaluation budget, the European Union agrees to increase the level of the evaluation budget to 0.8 percent of the regular budget by the end of the next biennium and, as a first step, to increase the level to 0.7 percent.

The European Union also agrees to the increased budget allocation for Strategic Objective K, Gender, without impacting the overall budget level.

The financial constraints brought on by the global economic crisis require us to adopt as a priority all possible measures to decrease costs and seek efficiency savings without impacting on the regular programmes of the Organization. In short, as recommended by the United Nations Secretary-General, we would do more with less.

The European Union expects the Secretariat to reflect on its proposal of creating new posts. The European Union believes that internal transfers could be used to facilitate the work without creating new posts, without jeopardising the programmes.

The European Union welcomes the efforts made by the Secretariat to provide guidance on areas for further cost efficiencies.

The European Union requests the Secretariat to present a paper for all to review on the proposed five areas, including the expected cost savings to be realized.

Finally, the European Union believes that FAO should fix a more ambitious target of efficiency gains and savings over the next biennium, which is both normal and good business practice in public financial management.

The European Union is convinced that FAO management can identify further savings and efficiency gains, in particular the five areas proposed by the Secretariat to add to those already identified and mentioned in the previous part of the statement. Again, new goals should be reached without affecting the delivery of technical and economic programmes and improvement results for instance by actively exploring new and additional funding modalities and sources.

**Mr Renato GODINHO (Brazil)**

I don't have a prepared statement since much has been discussed already on the subject in several meetings, but I would like, nonetheless, to make comments on 12 points, if you would bear with me.

First, I would like to thank the Secretariat, and recognize the efforts made in obtaining more efficiency savings and also the progress made in several areas related to IPA mainstreaming, the results-based framework and the prioritization process. This progress, as we acknowledge, pertains not only to the Secretariat but to all Member Nations and the governing bodies that have been working on this for the past two years. And we recognized this progress.

Point number two, for the future we also acknowledge that there is a lot of progress yet to be made in terms of a better focused budget with more synergy across different areas and priorities and departments, with a better prioritization process that is more responsive to the needs of the Member Nations, that is more clear, that further integrates extra budgetary contributions into the mainstream activities of FAO, and that makes more use of partnerships and opportunities for division of labour internationally. We welcome, in this respect, the opportunity that we have for some more progress in these areas, when the PWB is reviewed by the Council in November 2011.

Point number three, Brazil, also speaking in the name of the GRULAC, supports the position of GRULAC, which is also supported by the G77, of maintaining the status quo of the Shared Services Centre until the Member Nations can be convinced that the consolidation of the Shared Services Centres would be of benefit to the Organization.

Point number four, with regard to the level of the budget, we want to highlight some of the points stressed by the Director-General in his opening statement today to this Conference, specifically the points made regarding the grave huge deterioration of the Organization's purchasing power and staff since the '60s in the 20th Century.

Point number five, that this deterioration, in our view, was another reflection of the neglect that accompanied investment in agriculture and in food security, both for public and private investments over decades. It is only one more reflection of these mistakes we made in the past.

Point number six, that situation led us to where we are now, in a situation with high food prices, constrained use of natural resources, that we would need to respond to this and be able to feed the world with a retake of investment and more activities, not less activities.

So point number seven, that considering the stretched situation of all Member Nations in the present international situation, with the overreach that we are currently finding ourselves in, we need to find more creative ways to view this retake of investments and activities in the areas of agriculture and food security and to find partnerships, synergies and alternative ways to have more funding and respond to the needs of the countries.

Point number eight, we welcome, in this respect, the general agreement that was reached during these previous informal meetings chaired by the Independent Chair of the Council about preserving the PWB for 2012-2013 that is proposed, which for Brazil is both the absolute point of departure and also the point of arrival. We welcome that we have this agreement.

Point number nine, in order to achieve this preservation of the programme, we very much welcome the Director-General's and the Administration's efforts to find further efficiency savings that would allow us to preserve the programme in those five areas just explained by the Secretariat.

Point number ten, we want to stress that some of the possible gains in some of the five areas, in many cases, are theoretical gains are not by any means assured, as many of them could depend on factors beyond the control of the Organization itself. So, answering to the critical work of the Organization and the present world situation, we cannot run the risk of assuming savings that would not, in the end, be realized, and therefore, would compromise the programme. A mistake on the side of too many reductions would be much more serious, in this context, than the opposite mistake.

The point number 12, we would then appeal to all Member Nations and Administration to work in the spirit of collaboration with a positive outlook and in the most precise and sure way possible that would allow us to reach savings and also preserve an advance in the goals of this Organization in the fight against hunger.

**Mr Shuichi AKAMATSU (Japan)**

First of all, I would like to extend my appreciation for the efforts and the explanation provided by the Secretariat.

Concerning the Programme of Work and Budget, I would like to here express my general views on it.

We welcome the recent tendency of FAO that a certain level of prioritization is proceeding and the ratio of management costs is decreasing. Having said that, however, many governments, including the Japanese Government, are facing budget constraints and are making every effort to streamline the domestic administration and save their expenditures. In fact, FAO is a very important international organization, but should not remain an exception from streamlining and saving. Accordingly, we would like to request further efforts towards savings, taking into account that United Nations Secretary General's appeal which advocates a three percent reduction in budget. Speaking more concretely, we can further cut the programme budget by saving on travel expenses, by narrowing the renewal of office automation equipment, and by tentatively freezing the vacancy announcements of Secretariat personnel, and so on. By means of these efforts, we should pursue to achieve Zero Nominal Growth. Therefore, my delegation would like to ask the Secretariat to take these requests into account, and duly reflect them in the budget proposal.

**Mr Wilfred J. NGIRWA (United Republic of Tanzania)**

I am speaking on behalf of the Africa Regional Group. As it has been said, this is a topic which has been discussed at the various levels so I will not go into it too much but I will just make a summary of some of the important issues which we see in Africa need to be brought up.

We are aware of the global challenges affecting all the Membership, including the financial crisis. We are also aware and we want the Membership to recognize and consider that we are supposed to renew of FAO with growth. FAO has to regain its loss of almost 30 percent in real terms in its budgetary funding which it did lost between 1994 and 2008. Therefore, FAO should be looked at in accordance with its problems.

The Africa Region does endorse the submission which has been made by the Director-General on the following basis, that there has been a very participatory process. Membership has been involved through their Governing Bodies. We note a good improvement of the preparation in the ultimate document we have, despite that the time for its preparation was short as it was done within one-and-a-half years instead of the usual two years. We know this is because of the changed programming process.

We also recognize the importance of the Strategic Objectives and Functional Objectives in the programmed activities. We very much agree with the three points of Brazil which also include the issue of maintaining and protecting the activities contained in the PWB, in particular in the Strategic Objectives. We can look into other administrative aspects such as those in the Functional Objectives and, as has already been mentioned by management, that efficiency savings will be further pursued.

We see the issue of emphasis and de-emphasis being important and should be a guiding principle in our future work of prioritization. But at this juncture, we call for management to assist the regional offices so that they are able to guide them to come up with a good prioritization. I think in our work, in our previous work, we have seen that there is still room where we can improve in the issue of prioritization.

We also appreciate management efforts for efficiency savings measures which have been reprogrammed and makes a core basis of the Programme of Work and Budget 2012-2013.

I would like to emphasize that these efficiency savings which have been made have been programmed and should continue to be protected as they have been programmed.

We further welcome what has been mentioned by management, that more efficiency savings will be found in further areas and we await the quantification of those savings because they will help us to know to what extent we have now reduced the increase of the USD 37 million. These savings that are being found, as much as we would like them to be reprogrammed to the priority areas, but given the financial difficulties of all of us, we Members, I think we are very much in agreement that they go to offset the increase of the USD 37 million. Furthermore, they should also cater for the maintenance of the Shared Services Centres that should continue to be maintained in Bangkok and Santiago.

We call for the observance of the integrated budget where we continue to see progress. Nevertheless, we note the increasing organizational extrabudgetary and voluntary contributions and thank all the contributors.

We take seriously the question expressed in paragraph 64 that the amount, timing and earmarking of these resources is subject to some risks. In 2012-2013 about 38 percent of the budget and extra-budgetary resources is expected to come from voluntary contributions. Out of this, 57 percent of voluntary contributions, excluding the emergencies, is assured lower funding according to the document. This is a risk to the programmes. Therefore, we will count their resource mobilization in the management strategies.

Therefore, the partners' meeting should attract decision-making members and representatives to attend and be open to critical and transparent views and give feedback on their impressions and the assessment of the advice from FAO.

Finally we are concerned with the continuing year-after-year deficit in the total General Fund which at the end of December 2011 was USD 521 million. We should not be overwhelmed by the current improvement of Members' payments of assessed contributions because the major contributing factor, that is, past liabilities for After Service Medical Coverage and the Terminal Payment Fund, remains unchanged and continues to accumulate. This situation keeps the Organization at risk in its financial operations as well as remaining as a recurring query in the External Auditors' report. Therefore, as the Council has put it, we need to make a note in this Commission so that the Conference takes recognition, otherwise we endorse what is contained in the document.

**Mr Abdul Razak AYAZI (Afghanistan)**

Chairperson, as my colleague from Tanzania said, as well as my colleague from Brazil, we are going through this discussion on the Programme of Work and Budget so many times. Unfortunately, no consensus on the level of the budget has yet come.

We hope that this deliberation today and tomorrow will act to reduce the risks of not taking a decision by consensus.

We do not have any fundamental comment to make with respect to the Medium Term Plan (Reviewed) than the one that was approved by the Conference last time, with the exception of two positive changes. One is the inclusion of price volatility in the sections on trends and challenges, and the second is the change in Section C, paragraphs 13 to 26, which mention improvements in the results-based framework since 2009. Both changes are useful and positive. However, not much is said about the treatment of cross-cutting issues.

With respect to the Programme of Work and Budget 2012-2013, we wish to make the following eight observations and I think my colleagues from the Near East share the same view.

First, priority setting. Some progress has been made in priority setting, both by the regional conferences and the technical committees of the Council, but the work on priority setting is still in progress. In particular, six areas need particular attention, these are: inputs from the country programme framework; recommendations contained in corporate evaluation reports; the treatment of cost-cutting issues in priority setting; better articulation of the areas of emphasis and de-emphasis; programming shifts between and within strategic and functional objectives; and the alignment of priorities with the resource allocation system. It is hoped that the programming cycle for 2014-2015 will address these issues in a more systematic manner. In this connection, we share the views expressed by Brazil right now on improving the process of prioritization.

My second point is, there has been an increase of growth to seven percent in the integrated budget which is attributed to a higher level of extrabudgetary resources, thus, raising the share of extra budgetary resources in the integrated budget to 58 percent compared to 55.5 percent for the biennium 2010-2011. In particular, the rising share of Core Voluntary Contributions in the normative work of FAO is a cause for concern and needs to be carefully monitored by the Governing Bodies. Too much reliance on Core Voluntary Contributions for the normative work of FAO is not a healthy sign. This point was also highlighted by my friend from Tanzania.

My third point, we look that the net appropriations for 2012-2013 where amount to USD 1 046 9 billion of which USD 37.8 million is cost increase. With the deduction of USD 5 million in the salary income, the expected assessed contribution from Member Nations will amount to USD 1 041 9 billion. This represents an increase of USD 48.9 million for the assessed contribution of USD 993 million for the biennium 2010-2011. During the fiscal problems being faced by many Member Nations, this moderate increase of 4.9 percent in assessed budget requested by the Director-General to us is a really reasonable proposal.

Four, we support the increase of 2.3 percent in the share of the 11 Strategic Objectives, in total net appropriations of USD 1 009 1 billion before the cost increase. With this modest increase, the share of the 11 Strategic Objectives in the total net appropriation, rises to 50.4 percent compared with 49.7 percent in the biennium 2010-2011. We consider this to be a positive sign.

Five, for the 11 Strategic Objectives taken together, the extrabudgetary resources for field projects, excluding emergencies, is expected to reach USD 450 million compared with USD 358 million in the biennium 2010-2011, a gain of 9.8 percent. However, this gain is confined only to four of the 11 Strategic Objectives, that is Strategic Objectives A, F, K and L.

Sixth point, from a closer examination of the information given in Annex 8, one can draw the conclusion that close to 77 percent of the integrated budget would be administered by headquarters and 23 percent by decentralized offices. This is in line with the historical trend, however, with more delegation of authority to the field offices, this pattern needs to be changed in favour of decentralized offices. From Annex 7, one concludes that only 4.2 percent of the delivery under the emergencies is handled by decentralized offices. This is a cause for concern.

My seventh point, from Table 13 we note that of the 31 new professional posts proposed for headquarters for the biennium 2012-2013, only one post is mentioned for the Natural Resources Management and Environment Department in support of the Water Platform; the remaining 30 professional posts are being assigned to units providing services. We do not consider this to be a fair distribution of new professional posts at headquarters.

We support the strong position taken by the Regional Conference for Asia and the Pacific and the Regional Conference for Latin America and the Caribbean to retain the Shared Services Centre in Bangkok and Santiago. My colleagues from Brazil and Tanzania also emphasized this point.

Eight, we wish to support the level of net appropriation of USD 1 046 9 billion as mentioned in the draft budget resolution for the following five reasons:

any cut in net appropriation will be, in our view, a setback for the reform process of FAO which is still to be completed;

FAO needs to further improve its technical capability in several key areas such as food security, climate change adaptation, water management for agriculture, soil conservation and treatment, improvement of the basic data, etc, where we rely on regular programme funds and rely less on extra budgetary resources;

any cut in net appropriations would reflect in reduced TCP allocations which the developing countries wish to protect at all costs;

as Core Voluntary Contributions, are all subject to risk, any cut in net appropriation could jeopardize the mandatory activities of FAO;

any reduction in the level of net appropriation would adversely affect FAO's partnership with other agencies.

Finally, Mr. Chairperson, given the fiscal difficulties facing many Member Nations, maybe the prospects for a real growth in net appropriation for 2010-2013 are somewhat unrealistic. However, a clear cut in net appropriation could be a setback for FAO. Therefore, maintaining the percentile of the net appropriation of 2010-2011 is probably the best course of action to pursue in reaching a consensus.

In this connection, we highly appreciate the five new areas for potential savings, and look forward to the Secretariat telling us how much money will be saved. We also think that the strengthening of partnership and the building of synergy will be essential in safeguarding the technical programmes of the Organization. My colleague from Brazil emphasized this area.

**Ms Tritaporn KHOMAPAT (Thailand)**

Thailand welcomes the revised Medium Term Plan and the proposed PWB 2012-13 with the emphasis of maintaining purchasing power.

Regarding the proposed consolidation of the Shared Services Centre, we align ourselves with statement made by Morocco as Chair of G77 and Brazil as Chair of GRULAC, and by Tanzania as Chair of the Africa Group and by Afghanistan.

The status quo of the two hubs in Bangkok and Santiago was the position of the Thirtieth Session of the APRC in its new role as a governing body. Now that it has become the position of G77 and it is now the position of the majority of Members, it should be a direction to be followed.

**Sra. María del Carmen SQUEFF (Argentina)**

Deseo agradecer a la Secretaría la presentación del Plan a Plazo Medio para 2010-2013 y el Programa de Trabajo y Presupuesto para 2012-2013. Como han dicho otras delegaciones, es un trabajo que venimos realizando en distintos ámbitos y órganos rectores de esta Organización. Los documentos integran los principales elementos del marco basado en resultados, los Objetivos Estratégicos, los ámbitos prioritarios de repercusión y una cualificación de los costos derivados de todos los resultados de la Organización y todas las obligaciones. Si bien se trata de un trabajo en progreso, ha tomado en consideración las prioridades establecidas por las Conferencias Regionales y los Comités Técnicos, como así también por otros órganos rectores.

Valoramos la presentación en forma comparada de la propuesta del presupuesto 2012-2013 por objetivos estratégicos o funcionales y el Programa de Trabajo y Presupuesto 2010-2011. Valoramos también la presentación integrada de los recursos. La propuesta de reducción del 3% (hacer más con menos), que figura en el documento C 2011/LIM/4, resulta alentadora en términos presupuestarios y financieros pero muy difícil, diría imposible, de implementar en organismos como FAO que como ya hemos indicado está en pleno proceso de instrumentación de su Reforma y tiene objetivos muy caros y muy específicos. Además se trata de una propuesta del Secretario General de Naciones Unidas, siendo los estados los que deben tomar una decisión al respecto.

Podemos acompañar un presupuesto de evaluación del 0.7% para 2012-2013, lo cual implica un aumento aproximado de 1 millón de dólares sobre el presupuesto de evaluación para el año 2012-2013. Asimismo, podemos acompañar el aumento de la consignación presupuestaria para el Objetivo Estratégico K (género) sin repercusión en la cuantía global del presupuesto. Cabría insistir en la necesidad de focalizar mejor las acciones en esta materia, entendiendo que el tema género es transversal en el Programa de Trabajo de FAO. Se debería considerar más bien el buen uso y distribución de los recursos, que el aumento de los mismos.

Preocupa también que gran parte de las acciones programadas se financiarán con las contribuciones extrapresupuestarias, situación que genera un margen importante de inseguridad sobre su efectiva implementación. Es aspiración de nuestra delegación que en el futuro se profundice el proceso de integración de las contribuciones extrapresupuestarias con el presupuesto ordinario.

Agradecemos especialmente el trabajo de la Secretaría relativo a los ahorros por eficiencia. Asimismo, nos gustaría recibir un documento con los cinco ítems o aspectos adicionales de los ahorros por eficiencia presentados por la Secretaría. Alentamos un trabajo de la Secretaría en ese sentido.

Deseamos expresar que, de realizarse cualquier redistribución del presupuesto, debería hacerse en el ámbito de esta Conferencia, que es donde están los representantes de las capitales con poder de decisión.

Por último, en relación a los Centro de Servicios Compartidos, queremos apoyar lo expresado por Brasil en nombre del GRULAC, Tanzania, Afganistán y Tailandia.

**M. François PYTHOUD (Suisse)**

La Suisse remercie le Secrétariat de sa présentation. Nous aimerions faire quelques remarques sur ce projet de budget. Nous nous félicitons du nouveau format de présentation basé sur les résultats pour le Programme de travail et budget 2012-13. Nous pensons cependant que des améliorations doivent être encore apportées au Programme de travail et budget en matière de fixation des priorités. Nous nous félicitons de l'adaptation à la baisse du budget 2012-13, la Suisse est en principe en faveur d'un budget de maintenance. La Suisse approuve particulièrement la proposition d'un centre de services unique à Budapest.

Pour terminer, nous pensons que la FAO doit poursuivre dans la recherche de gains d'efficience supplémentaires. À cet égard, nous souhaitons que le Secrétariat nous fournisse des informations

supplémentaires sur la nature et les montants des gains d'efficience possibles dans les cinq domaines qu'il a indiqué.

**Sra. Maria Eulalia JIMENEZ ZEPEDA (El Salvador)**

De este tema quisiera únicamente expresar y unirme a lo señalado por el delegado de Brasil en nombre del grupo de América Latina y el Caribe y hace un momento por la delegada de Argentina. Quisiera dar el apoyo de mi delegación a ambas declaraciones ya que reflejan el sentir de la delegación de El Salvador.

**CHAIRPERSON**

If there are no more requests for the floor, I will hand over to the Director of OSP.

Mr Haight, you have the floor.

**Mr Boyd HAIGHT (Director, Office of Strategy, Planning and Resources Management)**

Thank you, Mr Chair, and thank you very much delegates for your comments and views on the PWB proposals.

As many have noted in fact we have been discussing this through the Programme and Finance Committees and the Council as well as in the Friends of the Chair and many of your statements here serve to formalise those comments.

If I might focus on one or two issues that have come up. Tanzania, you have asked management to assist the Regional Offices with preparing for the Regional Conferences and prioritization of the technical work. Other members have also mentioned the importance of the prioritization process and in fact, we have learned from our experience in 2010 and have already embarked on preparing the outlines of the pre-session papers to ensure that there is a common format and that the inputs provided by the Regional Conference for 2014 will be consistent and can be used, for example, as was indicated by Afghanistan, in a more systematic way.

I believe there is also a view that we should be pursuing the five areas of efficiency savings that the Director-General mentioned and that I mentioned today, Several delegations have noted the uncertainty of the level of any additional Core Voluntary Contributions that might be forthcoming. In fact, that will certainly be a caution that we raise in putting that area forward. Also on the table which would need to be resolved would be the savings planned for the Shared Services Centre, and the requested increase in the evaluation budget.

**CHAIRPERSON**

Excellencies, we seem to have come to a point where I would need your guidance.

Afghanistan, you have the floor.

**Mr Abdul Razak AYAZI (Afghanistan)**

My personal idea is that we have to shift the discussion. Instead of talking about details, we should come to the central issue, to the level of the budget. That is the most important thing, and if the delegations can express their views on which level of the budget they want to support, or which level of the budget they do not want to support, so that tomorrow we will have more focused discussions rather than talking about issues that we have discussed so many times and that would only be wasting our time. I hope all my colleagues will prefer to discuss specific levels of the budget tomorrow.

**Mr Wilfred J. NGIRWA (United Republic of Tanzania)**

We should not be repeating the obvious, therefore, I support Afghanistan's proposal.

**Mr Mohamed Saleh Fattah ABUBAKR (Egypt) (Original language Arabic)**

I did not want to take the floor earlier, to save the time of the Commission, by making a statement of the obvious, of the situation of my delegation concerning the budget, but I am talking now for the

point that you have raised and what has been said by Afghanistan, that we need a spirit of cooperation to have to really come up with a solution to sort out this situation.

We have to know that this Organization is in a distinct situation since we are witnessing a new Director-General, who we are assured will do his best with the enthusiasm he has to make this Organization very efficient. So with whatever level of budget we will agree upon, at the end of the day I am sure he will do his best to make the savings as well as to ensure that all programmes have been conducted in the proper manner.

**Mr Zóltán KÁLMÁN (Hungary)**

I would like to refer also to the request of several delegations, including the distinguished delegate of Tanzania. We made a request in the EU intervention for some more specific information and figures with regard to the five specific areas. I think it would be appropriate if the Secretariat could provide those details in order to facilitate further discussion on this issue.

**Mr Kent VACHON (Canada)**

I would simply like to note that in addition to the many different speakers that have already asked for numbers quantifying the areas for further efficiency gains that would be returned as savings or used to offset the cost increases, there is also the issue of rollover, of lapse from one biennium into the next. We heard in the first item this morning in this Commission that for 2008-09 there were 12 percent of the programmed activities that were not in fact able to be implemented during that biennium, and one delegation asked to quantify how much that meant in Dollar terms. I do not want to go back to the discussion of 2008-09, but we are now into 2010-11 and it is fairly safe to say that in any plan there is going to be some programmed activities that were imagined two years ago that will not in fact be implemented and that will result in rollover that could have the effect of reducing new assessed contributions to Member Nations without in any way reducing the planned level of programmatic activity envisaged in the draft PWB.

I would also like to note in these many areas of savings, in the different things that have been identified for the coming biennium, such as reducing the unit costs of travel as well as the amount of travel using video conferencing and so on and so forth need not wait until 1 January. Many of these proposed areas of savings, that are already planned to start as of the current biennium, could, in fact, be implemented already this biennium, thereby generating more rollover, rollover that would be used to implement the Programme of Work and Budget in the coming biennium and would also have the result, therefore, of reducing the amount of the new Assessed Contributions that need to be imposed on Member Nations without cutting into the planned programmatic activities. So, we would encourage management not only to quantify the five areas of savings that they have said they are able to generate, but also to think in terms of additional savings that could be implemented already by essentially putting into operation efficiency gains of more effective savings measures immediately and generating rollover, and perhaps with those two ways we could already reduce the difference that we have to talk about going forward.

Finally, you had started to ask, Mr Chair, about the way forward. It is, indeed, to talk about numbers, but I think experience has shown that it is usually much easier to make progress on the numbers in a less formal setting than this. If management has any difficulty providing us the numbers in this room, perhaps it is already time to set a time and place, perhaps even tomorrow morning, for the smaller, more informal setting and Canada would immediately like to volunteer as one of your, no doubt, many friends, Mr Chair.

**CHAIRPERSON**

Any other comments before I give the floor? Hungary, please.

**Mr Zóltan KÁLMÁN (Hungary)**

I would like to first of all fully support what just has been said by Canada and I would like to volunteer on behalf of the European Union and its 27 Member States to be part of this informal setting for discussing further this delicate issue.

We would very much appreciate if we could be your friends as well.

**CHAIRPERSON**

South Africa requested the floor, you may have the floor please.

**Ms Thenjiwe Ethel MTINTSO (South Africa)**

I actually requested the floor for there were many friends that were coming to you. South Africa therefore, would just like to be one of your friends.

In order to add the friends, we'll join the friendship.

**Mr Jorgé SOLARES (United States of America)**

We also would like to be part of the Friends Group, and we would also like to be your best friend. Thank you.

**Ms Madeleine BALDWIN (Australia)**

Australia too would like to become a Friend of the Chair for the purposed of continuing this conversation with you.

**Mr Neil FRASER (New Zealand)**

We have been coming to this Conference many times and we have been involved with this Commission many times on this important subject, and, inevitably, the situation goes to the Friends of the Chair. We, as friendly people, would be very happy to join the Friends.

I would point out that I am now 18 months older than the last time we did this, I am less tolerant of late evenings and I hope that all our Friends have the same in mind and that we can be very efficient in that process. But certainly, we would like to join the Friends of the Chair.

**Mr Renato GODINHO (Brazil)**

I am hearing many proposals to convene in a Friends of the Chair setting, but certainly before that happens I would like to hear what the Secretariat will have to say in this setting about the many proposals that were made in a request for some quantification. What could we do to better quantify what we are talking about in terms of the five areas of efficiency gains. Just to repeat some of the points we made, we are under the impression that some of those gains are less than assured and our definite position is that we should do the utmost with the efficiency gains that we are planning for. Whatever the level of arbitrariness we could use in this exercise, the level that we are prepared to follow is the level of zero arbitrariness so we need to know from the Secretariat what level of efficiency savings can be made that we are sure will not compromise the proposed programme of work.

**Mr Kazumasa SHIOYA (Japan)**

Mr Ayazi pointed out that our purpose is to decide the level of the budget and Japan has already said that the Japanese stance is zero nominal growth but in order to find a medium ground, I think it is impossible to discuss this here in a formal place so informal discussion is very welcome. and Japan is therefore ready to join as a Friend of the Chair. At the same time I would also like to comment on the five areas that Mr Diouf and the Secretariat pointed out. For these five areas, we would also like to know, how possible it is to make the savings because this is really an essential point of our discussion and this really decides the level of the budget. As Brazil pointed out that the savings should also be realistic, we, too, so we would like to see if they are realistic or not. In an informal way, we would like to have more explanations from the Secretariat on these five points.

**Mr Yohannes TENSUE (Eritrea)**

Since this is my first, I will make comment on the Friends of the Chair . I am not among the Friends as I won't be here in that meeting.

The F-o-C, as I have noted, you will be dominated by one group. Each region, must be represented in the F-o-C. There must be a balance, equal representation as a two-two or three-three or four or whatever you decide, but if you are dominated by one region as a whole, then the decision will be nominated by that region. So, you should have all the regions represented. That's my point.

I also want to comment about the level of the budget. I will not go into all the micro details that we have regarding different Strategic Objectives and Strategic Functions. We are tired of them, we will leave this to the Management and the Finance and Programme Committees who have been discussing it.

On the whole, we are very happy with the reform being introduced into the Organization. The External Auditors had found that the Organization was surviving like a sick person on a support machine. Why? Because of savings, savings, savings, and cutting, cutting, cutting and the Organization was like a patient surviving on a life-support machine.

Then we said, what sort of reform should we implement? A reform with growth, what does it mean? An increase of budget. Now, I won't go into the details that we have already discussed. What is the increase in the budget that we are talking about? It is 4.6 percent in absolute, nothing else. And with all the reforms that have to be implemented, an excuse is used which doesn't have any value. The Secretary-General Ban Ki Moon 'do more with less' but he has never done any reform in his Organization, and this is misleading. It does not apply to us; let him first reform his Organization, FAO is the only Organization which has done a comprehensive review or reform of its activities.

The level of budget is a 4.6 percent increase in absolute terms from the previous biennium. It's not a big increase, and we are talking of savings, savings, savings and we are going to destroy all the efforts of the reform that we have planned, so it will go back, it will kill it. So, we will not compromise less than that, nor expect more than that. This will give an idea to those who especially came from the capitals because, others who were present in Rome were discussing the micro level. We are asking for only 4.6 percent increase and there is an objection made with the excuse of the statement made by the Secretary-General or economic crisis; more crisis will come but at this time. There will be more crisis, but at this time, thank God, there is no economic crisis. That is a fabricated excuse.

Thank you, that's the statement that I want to make.

**Mr Wilfred J. NGIRWA (United Republic of Tanzania)**

As I see the number Friends growing, soon this gathering will be all Friends, and I do not think you can achieve anything because it will be the same.

I think, as it has been said by Eritrea, I think we need all the regions to be represented in this Friends of yours, otherwise there can be a danger whereby you may find some voices being obscured because of their non-presence. Therefore, I think you should try to make a deliberate move that most of the regions are represented in the number of your Friends.

As it has been said by New Zealand, we do not need to go into these night sessions and if you can keep the time that your Friends may be sitting for a given time not an open-ended time, then I think your Friends can work faster within that given time. Otherwise, if it is an open-ended time, we will be going into night sessions which are not necessary. After all, the issue is not so complicated because as long as we all agree that we are starting with the guidance of the proposal of the Director-General's budget which has been provided, then we can discuss, but we will not be ready for some of your Friends that will start to discuss a Zero Nominal Growth budget. In fact, we do not need to discuss that one, we need to agree. If we agree to that one then we do not need to have a discussion because that does not need any discussion at all. Therefore, I think the starting point should be the proposal which has been made for the Director-General's budget.

More importantly, we should be looking at this increase, the thirty seven. We are saying 'okay' this is what we need, we want to register that one and to see it very practically and, pragmatically, with the inputs that you have already given us and maybe in one way or another you can quantify and tell us what it entails. Is it USD 10 million, is it USD 12 million, is it USD 8 million? Then we will see what

that entails in the overall net appropriation budget increase. We cannot continue cutting further up to the bone if there is nothing to cut.

#### **CHAIRPERSON**

Thank you very much, Tanzania. I think I will take Argentina and then I will revert to the Secretariat.

#### **Sra. María del Carmen SQUEFF (Argentina)**

Igualmente que otras delegaciones, esta delegación ha participado al Grupo de Amigos del Presidente para el tratamiento del presupuesto. Coincido con lo expresado por Tanzania, que ese Grupo de Amigos debería tener una representación regional y como en otras oportunidades ser de participación abierta, así mismo hemos trabajado con interpretación en otras oportunidades y nos gustaría hacerlo también esta vez.

Coincidimos con Tanzania, que si usted lo estima conveniente, debería tener un límite en sus horarios. Desde las últimas reuniones que hemos tenido tanto en el Comité de Programa, como en el Comité de Finanzas y en el Consejo se ha hablado bastante pero este es el órgano máximo para hacerlo, por lo tanto tenemos ya un trabajo realizado.

Existen diferencias de ideas sobre todo con respecto a los ahorros que deben realizarse. Por eso la Secretaría nos va a proporcionar algunos elementos adicionales sobre las cinco áreas que ha mencionado hoy.

Creemos que después de ver esos elementos podríamos empezar a trabajar en ese Grupo de Trabajo de Composición Abierta.

#### **CHAIRPERSON**

Before I give the floor to the Secretariat, I want to assure the house that I agree with all delegations who are not prepared to burn the midnight oil here. I said it in my opening speech. We have gone through this issue with the finest comb that we could find and I do not think there is any new argument. All we need now is for us to shift ground a little bit here and there, based on the information we are expecting from the Secretariat. If that is what we have, I do not believe we need to spend more than two hours to come to an agreement, if we are willing and I am sure we are willing. I will give the floor to the Secretariat and then we will see how it goes.

#### **Mr Manoj JUNEJA (Assistant Director-General, Corporate Services, Human Resources and Finance Department)**

Thank you for all your comments this afternoon.

Clearly the central issue for discussion is the budget level for 2012-2013 but, as many members have said in previous discussions, we have entered, very seriously, an era of results-based management where the governing bodies themselves exercise diligent oversight. This means that you would surely want to arrive at a programme budget for 2012-2013 which is rational, which is discussed among yourselves and with the management of FAO and which can also provide some pointers, some signals or some guidance to the Secretariat for the months ahead.

Mr. Chairperson, you mentioned earlier that we will have the opportunity of the Council later this year where adjustments to the Programme of Work and Budget can be discussed. Any guidance that the Conference now provides can be pointers for such adjustments.

So the point that I really want to stress at the outset is that it is important that the membership takes this opportunity for a rational discussion in arriving at a programme budget level for 2012-2013. We will, of course, support the process and, like the delegate from New Zealand, I too am becoming older every time we discuss successive Programmes of Work and Budget. I also took note of what Canada said earlier about the IPA and the intention of the membership to arrive at a proposed budget level before the Conference. Well we have not quite been able to do that this time around but certainly if we don't have to burn the midnight oil that would be a great step forward compared with the past.

Now there are a number of issues that do need to be discussed but let me say also that the membership has made very good progress in its deliberations so far. In fact, if I were to compare the state of our discussions today compared with nineteen months ago and compared with three-and-a-half years ago, we are certainly in much better shape. What I hear is that there is a consensus emerging to try to preserve the Programme proposals as put forward by the Director-General in the PWB 2012-2013, even though there have been imperfections in the process so far, in the process of prioritization, in the guidance that has been provided via the regional conferences and the technical committees, and that perhaps more information may be required in the future. But certainly I see some consensus emerging in the interventions so far.

Another area where I think there is consensus emerging is that further efficiency savings can be found, and whatever further efficiency savings are found must lead to a reduction in the Assessed Contributions versus the level proposed by the Director-General.

There are some areas outside the proposals of the Director-General. There have been interventions supporting an increase in the evaluation budget. This is building on interventions already made at the last Council. There have been interventions suggesting that the Shared Services Centre proposal put forward by the Director-General should not be adopted. These, of course, will need to be discussed in arriving at the proposed programme budget level for 2012-2013.

There are some technical issues which would be worthy of discussion as well, for example the intervention which was made by Canada on the rollover from one biennium to another. To some extent this particular aspect was covered in the Finance Committee in connection with the Immediate Plan of Action expenditure in 2010-2011. In that respect we have already got some guidance from the membership as to how to carry forward the under-expenditure, if there would be any, under the IPA from 2010-2011 to the next biennium 2012-2013. As regards other areas of carryover, I take note that there was a discussion in our deliberations in the last PWB which resulted in a derogation of the Financial Regulations to permit a carry forward. I am concerned if it is the intention of the membership to repeat that. We have taken one-time actions to reduce assessment levels and I think it is important that we do not repeat one-time actions and turn them into bad habits. The Financial Regulations of the Organization do not permit a rollover, and there was an intervention made earlier highlighting the unfortunate deficit under our Regular Programme, well in excess of USD 500 million. I think we need to bear in mind the accumulated deficit of the Organization, and the Financial Regulations of the Organization before arriving at a consensus in this regard.

Finally, I would turn to the five areas that have been put forward as further efficiency savings measures. They were put forward last Thursday in a verbal presentation to the Friends of the Chair. As you can imagine, this has been a busy weekend and really, just to manage your expectations, I should point out to you that there is no written document prepared to articulate the five areas. That said, we have heard what you suggested this afternoon and would certainly be able to prepare some documentation for your further deliberation in the Friends of the Chair.

Also to manage your expectations, an expectation that might need to be managed is whether we will be able to translate any documentation for the Friends of the Chair given the lateness of its preparation. But, more importantly, I should point out that quantifying efficiency savings requires analysis, and we have not had time to undertake such analysis. It requires time to go through the due diligence process of analysis and we are short of time between now and the eventual budget decision which, of course, has to be voted on 1 July. And here I would ask you to consider your own risk tolerance in arriving at and in having your discussions with us on quantifying efficiency savings because we may not be able to quantify efficiency savings with the degree of confidence that we would normally expect to have as your Secretariat.

That said, I should repeat that there is a period of further analysis that is available to us between the Conference and the first day of the implementation cycle of the 2012-2013 budget and we could, of course, use that period to our advantage in this regard.

So, just to summarize, in all areas of the budget discussions, we will support you. We will, of course, follow whatever decisions you take. Whatever guidance you provide, we will continue to provide the

pros and cons of the thoughts that you have and of the alternatives that you put forward. But let me be very clear that the final decision is always yours. It is of the membership, both on the budget level and programme priorities for the Organization, on the level of risk tolerance that you may wish to have vis-à-vis the efficiency savings and also any derogations to the Financial Regulations which you may wish to implement for the next biennium.

#### **CHAIRPERSON**

I believe that from what Mr Juneja has said, it is possible that we will get a rough idea of what is expected from the five pillars that management has suggested to us.

I also want to believe that we have some definite ideas of what we want and this is where I believe that negotiations can start. We will talk among ourselves and see what we are going to do next.

Like I said, we have had all the debates. We have seen the strong points, we have seen the weak points. I just want to remind you that we are in a transition, and because of that, this is the moment where we have the opportunity of having, over five months from the time of decision on budget level, a complete analysis of what the actual savings could be.

With that type of spirit, we should be able to come to a budget level that Conference can approve.

On the issue of the membership of my friends, I won't stop anybody from being my friend, but I can tell you one thing: if we break now, to the King Faisal Room, we would just be there for just ten minutes at the most, to finetune our thinking until we get something substantive from Secretariat, and then we could look at issues see where we can make adjustments.

Once again, I am grateful of you and I want to say that we will not have sleepless nights. We will have good nights, and come back the following day fresh and ready to come to conclusions.

For today, I think we can break from here, to go to the King Faisal Room if you feel we should or we could wait until tomorrow, until we get some input from our Secretariat. I prefer the latter option.

So, I believe Canada seems to have read me. Do you still want the floor? Canada, you have the floor.

#### **Mr Kent VACHON (Canada)**

It was precisely to remind you that my proposal had been that, although we are your friends always, we be your Friends of the Chair more specifically as of tomorrow morning and that is only reinforced by management's request to have some time to prepare for that. I think if we stay here or in the King Faisal Room this evening there is even less likelihood that we will get what we need from management to move forward.

But I would also like the floor just quickly to caution against drawing too many conclusions, as our distinguished new Deputy Director-General seemed to be, as to the very partial discussion that took place here and to remind that we did not want to repeat ourselves. But that does not mean that our positions were necessarily no longer the same just because we did not choose to repeat ourselves in this forum and would also note that, I think in the time of FAO reform, the practice of allowing a rollover was a good practice, not a bad practice. That there be a rollover was much welcomed by management and the then distinguished ADG of Finance, and it was recognized that the practice of trying to spend every last penny in the remaining last few months of a biennium was a bad practice. We did away with that, and so I would just like to remind and indicate that there may be ways to use that good practice, and the increased flexibility that we gave to management then to help us as of tomorrow. I would really rather not like to prolong that discussion tomorrow. I would rather have management take part in the discussion as of tomorrow morning and also because your Vice-Chair has a farewell reception starting very shortly, and we are your friends and her friends as well.

#### **CHAIRPERSON**

Anybody requesting the floor? If not, I will ask the Secretary to make announcements and conclude the session thereafter.

**SECRETARY**

I would appreciate if those countries who agreed to be members of the Drafting Committee of Commission II could communicate the names of their representatives to the Secretariat.

The following countries accepted to be members of the Drafting Committee: Afghanistan, Algeria, Australia, Brazil, China, Denmark, Japan, Mexico, Mozambique, Russian Federation, Syrian Arab Republic, United States of America.

The second announcement is that the Drafting Committee of Commission II will gather in the Lebanon Room tomorrow at 6.30 pm.

**CHAIRPERSON**

Let us bring this meeting to a close in the hope that we will meet tomorrow morning at 9.30 am sharp in the King Faisal Room. Thank you so much for your cooperation. Have a good evening.

**The meeting rose at 17:15 hours**

**La séance est levée à 17 h 15**

**Se levanta la sesión a las 17:15 horas**

# CONFERENCE CONFÉRENCE CONFERENCIA

<b>Thirty-seventh Session Trente-septième session 37.o periodo de sesiones</b>
<b>Rome, 25 June – 2 July 2011 Rome, 25 juin – 2 juillet 2011 Roma, 25 junio – 2 de julio de 2011</b>
<b>THIRD MEETING OF COMMISSION II TROISIÈME RÉUNION DE LA COMMISSION II TERCERA REUNIÓN DE LA COMISIÓN II</b>
<b>30 June 2011</b>

The Third Plenary Meeting was opened at 17:00 hours

Mr Yaya Olaniran

Chairperson of Commission II, presiding

La troisième séance plénière est ouverte à 17 h 00

sous la présidence de M. Yaya Olaniran,

Président de la Commission II

Se abre la tercera sesión plenaria a las 17:00 horas

bajo la presidencia de ls Sr. Yaya Olaniran,

Presidente de la Comisión II

**Adoption of Report** (C 2011/II/REP/21; C 2011/II/REP/22;  
C 2011/II/REP/23; C 2011/II/REP/24; C 2011/II/REP/25; C 2011/II/REP/26)

**Adoption du Rapport** (C 2011/II/REP/21; C 2011/II/REP/22;  
C 2011/II/REP/23; C 2011/II/REP/24; C 2011/II/REP/25; C 2011/II/REP/26)

**Aprobación del Informe** (C 2011/II/REP/21; C 2011/II/REP/22;  
C 2011/II/REP/23; C 2011/II/REP/24; C 2011/II/REP/25; C 2011/II/REP/26)

#### **CHAIRPERSON**

Let me call Commission II to session and allow me to appreciate all the efforts that have been put into this work since Monday. At this juncture, we have worked so tirelessly to allow our new Director-General to have a soft landing and for cohesion is not stopping at this resumption. My hope is that we will sustain him until the end of his first term and maybe beyond but, I think as Commission II, I want to congratulate all of us. Like I said, during the Friends of the Chair meeting that it is darkest at daybreak, and we all felt that darkness, just before we got a consensus and it is with this spirit of oneness that I want us to work out the details that we need to develop. I will call on the Secretariat to give us a few hints as to what and how they want to help us with the draft resolution, and then we can discuss it.

The floor is opened to Mr Juneja.

#### **Mr Manoj JUNEJA (Assistant Director-General, Corporate Services, Human Resources and Finance Department)**

I too, on behalf of management, would like to congratulate the Membership in arriving at what I understand is a consensual figure for the 2012-2013 Programme of Work and Budget. The final outcome of the budget would, of course, only be known after the vote by the Plenary, but there really has been some excellent work done and we are extremely grateful for all the efforts of the Membership in this regard. I hope you also found the support provided by management to be proactive and more than satisfactory.

In looking forward now, at the next steps, we have a very unique situation in Commission II this year in that you have more time on your hands than has ever been the case in recent biennia. Usually, a programme budget for the following biennium is arrived at sometime after midnight on the day that the Plenary actually meets to vote on the budget. Therefore, you will have to ask yourselves what you will do with this extra time between now and the budget vote. I can assure you that your time can be very well spent because there is a draft resolution that needs to be prepared, and we have already taken steps to prepare that. It will take us probably an hour to complete that documentation. There is also your draft report of Commission II on the Medium Term Plan and the Programme of Work and Budget for 2012-2013 that you would wish to go through.

If you agree, we would propose to prepare today the draft resolution and also the draft report under this Agenda Item. That would then need to be translated so that it is available to all Members and we could present the documentation to you, the draft resolution as well as the draft report of Commission II on this Item, through your good self Mr Chairman, to the Membership, in the Plenary of Commission II tomorrow morning.

So my question to you, to the Membership through you Mr Chairman, is whether Commission II would be prepared to bear with us for tonight to give us time to prepare the draft resolution and the draft report and whether you would be prepared to reconvene in your entirety tomorrow morning in order to consider these two pieces of documentation.

An alternative of course would be to submit the draft resolution and the draft report to the Drafting Committee and from the Drafting Committee to take it through to the Plenary of Commission II and then the FAO Conference.

#### **CHAIRPERSON**

A suggestion is probably to find some members to join the Drafting Committee with the help of Management, to discuss the wording of the draft resolution. This is also on the table.

I want to comment on which way you prefer us to go. Management has given us an offer of doing it and bringing it to us at Plenary tomorrow, maybe through the Friends of the Chair first and then Plenary, or we could have some members join the Drafting Committee with Management to develop wording.

Show me your hands.

The floor is open.

**Mr Kazuiasa SHIOYA (Japan)**

Mr Juneja has proposed two options, and Japan prefers the first option. In order to save time and in order to avoid micro-management, we hereby support it.

**CHAIRPERSON**

Japan, just for clarity, what is your first option?

**Mr Kazuiasa SHIOYA (Japan)**

Tomorrow morning we will have Commission II, and at that time Management will present to us the Draft Resolution as well as the Draft Report.

**CHAIRPERSON**

Thank you Japan. Tanzania, you have the floor.

**Mr Wilfred Joseph NGIRWA (United Republic of Tanzania)**

In the same line as Japan, I think we'll let management do the work and we shall assemble here at 10:00 a.m. and have about 20 minutes to go through these reports, the draft report and the draft resolutions, and then continue our meeting.

**Mr Søren SKAFTE (Denmark)**

Of course it is very tempting to take the kind offer from Manoj to reassemble Commission II tomorrow morning and rest for tonight. On the other hand, tomorrow morning it is scheduled for some of the delegates to visit the Pope, I believe, and we will certainly not interfere with that. Another thing is, if, as I understand, the documentation is somewhat progressed already now, I think it would be wisest, and I think that is also what Tanzania was saying, that we have a brief session tonight of the Drafting Committee to verify that we are totally in line and on track. Then the Commission II meeting late tomorrow morning could probably, with that background, be very brief. That would be my suggestion.

**Mr Travis POWER (Australia)**

Just to follow up, my delegation agrees with that of Denmark and the European Union. I think by bringing the report back to the Plenary, we risk having a Plenary Drafting Committee which could take many, many hours. I think that the idea of a Drafting Committee is to do the drafting work. So we would prefer to see the Drafting Committee consider this report tonight, and then reconvene Plenary for the adoption later tomorrow.

**Mr Essam Oswman FAYED (Egypt)**

I think since our friend from Denmark raised the issue of having an event in the morning which some of the delegates might be interested in attending, if the Drafting Committee can work today with some interested members joining we can come tomorrow late, around 12:30 or so for a short meeting of the Commission and then we can send the Report to the Plenary.

**Ms Kathleen MERRIGAN (United States of America)**

I appreciate you giving us these two options and for management coming forth with a suggested plan. I understand as well the concerns that have been raised by Denmark and supported by Australia.

May I make a third suggestion that possibly and hopefully will respond to some of the concerns. If management takes tonight to prepare the Draft Resolution rather than presenting it to the body

tomorrow since some Members, as was pointed out by Denmark, are planning to attend the event, present it to the Drafting Committee and give the Drafting Committee an opportunity with those members who are interested, in the morning, to review that document before convening Commission II tomorrow afternoon.

**Mr Kent VACHON (Canada)**

I am happy with whatever format you have decided would be best based, on all the interventions you have heard now. My only point in intervening is to remind that drafting Committees are not supposed to be dealing with substance, and they are merely meant, supposed to be verifying that the language accords with what has been decided by the larger body. So if the draft that comes from management is non controversial and tracks what we all just agreed, then hopefully it won't take the drafting committee very long. But if it strays into areas of substance that need to be negotiated between members, then we've gone beyond the remit of the Drafting Committee.

**Mr Sergei SAFRONOV (Russian Federation) (Original language Russian)**

The proposal by the United States of America to examine the draft resolution first, in the Drafting Committee and then in the Plenary session of Commission II tomorrow, so that we have an already agreed upon draft at the Plenary is the option that is what we prefer.

**Mr Chuang NIE (China) (Original language Chinese)**

We agree with the proposal of the United States. Tonight the Secretariat can prepare a draft resolution and tomorrow morning the Drafting Committee at 10:00 or 10:30 can have the discussion, and finally it will be adopted by Commission II. Is that okay? I think that is rational and reasonable.

**Mr Cláudio POLES (Brazil)**

I also wish to support the proposal of the United States that the draft resolution report is examined in the Drafting Committee tomorrow morning and later on reviewed by the Commission II in Plenary, so as to take into account also the relevant concerns raised by Canada. But I think that the more the Drafting Committee can be expanded through the presence of other interested parties that can work on the text, the easier the work of Commission II will be afterwards.

**Mr Søren SKAFTE (Denmark)**

Tomorrow morning in the Drafting Committee is also fine with us. I just recommend that somebody checks that the members of the Drafting Committee are actually available, and not occupied in the Papal State.

**CHAIRPERSON**

I just want to say that we have given management a figure for the budget, and that the Membership has collectively agreed on flexibility. As the United States has just advised and many other Members have bought into it, with modifications which are all positive. I believe that we could agree that management would give us a draft overnight. Tomorrow morning by 10.00 am the Drafting Committee can look at it with all interested Members and, with that, we will probably have taken care of the concerns of Canada, Denmark and others. So that, in the end, whatever we now want to finetune in terms of substance will be minimal. I am sure that this issue is so important to all of us that I know that, even when we are working, the Papal Blessing can reach us so easily. We are well within range, I can tell you.

We should also remember that this is a new process that we are working on. It is work in progress. The Council is there for us later in the year to actually help us do the monitoring. We are mostly members of Council, which is the Governing Body before the Conference. Of course, we have the other instruments of the Programme Committee, the Finance Committee and the Joint Committees and so on. I want us to finalize this by agreeing to let management give us a draft on the budget level and to have some work done on it. The Drafting Committee will discuss the text with all interested members that can fill in the substance of our discussion to articulate what we want to be presented. Tomorrow

afternoon, we will have a look at it at, as Commission II in session, and after that we will present it to the Conference.

Is that acceptable?

Thank you very much, 9.30 am tomorrow morning in the King Faisal Room. It is hereby decided.

**The meeting rose at 17:22 hours**

**La séance est levée à 17 h 22**

**Se levanta la sesión a las 17:22 horas**