

Rome, Roma 2007



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

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

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## COUNCIL CONSEIL CONSEJO

**Hundred and Thirty-third Session • Cent trente et troisième session • 133° período de sesiones**

**Rome, 14-16 November 2007  
VERBATIM RECORDS OF PLENARY MEETINGS OF THE COUNCIL**

**Rome, 14-16 novembre 2007  
PROCÈS-VERBAUX DES SÉANCES PLÉNIÈRES DU CONSEIL**

**Roma, 14-16 de noviembre de 2007  
ACTAS TAQUIGRÁFICAS DE LAS SESIONES PLENARIAS DEL CONSEJO**



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# COUNCIL CONSEIL CONSEJO

**Hundred and Thirty-third Session  
Cent trent-troisième session  
133° período de sesiones**

**Rome, 14-16 November 2007  
Rome, 14-16 novembre 2007  
Roma, 14-16 de noviembre de 2007**

**FIRST PLENARY MEETING  
PREMIÈRE SÉANCE PLÉNIÈRE  
PRIMERA SESIÓN PLENARIA**

**14 November 2007**

The First Plenary Meeting was opened at 10:15 hours  
Mr Mohammed Saeid Noori-Naeini,  
Independent Chairperson of the Council, presiding

La première séance plénière est ouverte à 10 h 15  
sous la présidence de M. Mohammed Saeid Noori-Naeini,  
Président indépendant du Conseil

Se abre la primera sesión plenaria a las 10.15  
bajo la presidencia del Sr Mohammed Saeid Noori-Naeini,  
Presidente Independiente del Consejo

**CHAIRPERSON**

I call the first meeting of the Hundred and Thirty-third Session of the FAO Council to order.

Before proceeding I would like to ask Ms. Williams, the Secretary-General of the Conference and Council to make a short announcement.

**SECRETARY-GENERAL**

I wish to bring to the attention of the Council that the European Community is participating in this meeting in accordance with paragraphs 8 and 9 of Article II of the FAO Constitution.

I have been asked to inform you that the declaration made by the European Community and its Member States is contained in information document CL 133/INF/6, which is available at the Documents Desk. I wish to draw the attention of the meeting to this declaration.

**CHAIRPERSON**

I wish to extend a warm welcome to the Members of Council and Observers to this session of Council.

Before proceeding to the adoption of the agenda, I would like to express my warm welcome to the Director-General to our session, and I would like to offer him the floor for his statement.

**DIRECTOR-GENERAL**

I would first like to welcome all of our friends, Members of the Council, the Observers, and other participants – some of whom have travelled long distances – and naturally the Permanent Representatives and Ambassadors, who work on a daily basis with us. I wish them a successful Council.

This Council, as you know, is a very important one. It is the first gathering of the Membership, following the presentation of the IEE Report and the response of the management in principle and it therefore starts the first formal framework following the different discussions held under your leadership, Mr Chairperson, to try to chart the course for the FAO of the 21<sup>st</sup> century. I, therefore, wish you every success in this endeavour and pledge as usual, the full support of the Secretariat of the Organization.

We are in a world that is changing rapidly, in particular in relation to agriculture. We have moved from a period of low prices of commodities to one with very large increases in a very short time; and this is raising quite important challenges, not only for world food security but also for political and social stability in a number of countries. We are in a world where, after a lull of almost two decades, the importance of agriculture for world development is again recognized. One example is the fact that after 25 years, the World Development Report of the World Bank this year dwells on agriculture. We are witnessing the serious challenge of climate change with consequences in terms of drought, floods and hurricanes, etc. This is putting at risk the livelihoods of a number of farmers, fishermen and cattleraisers, around the world. Another challenge is the high prices of oil leading to its substitution by biofuels and the implications on the availability of land and water for food production, in addition to feed stock and fibres. This is creating a completely new environment for us to address these issues. We can address them positively and use them as an opportunity or we can ignore them. However, if we see them as opportunities and address them positively, we might find, as is sometimes said, that in every crisis situation there are opportunities that we did not have before. Therefore, we will be counting very much on your guidance, and support to FAO. The Secretariat will, as usual, be here to serve the goals that you have set for the Organization.

**CHAIRPERSON**

I do agree that we are starting a very important period in the life of our Organization if this brings international changes. I thank you for sharing your views with us. I am sure that we will be with you with a more profound statement in the Conference.

**I. INTRODUCTION - PROCEDURE OF THE SESSION****I. INTRODUCTION - QUESTIONS DE PROCÉDURE****I. INTRODUCCIÓN – CUESTIONES DE PROCEDIMIENTO**

**1. Adoption of the Agenda and Timetable** (CL 133/1; CL 133/INF/1; CL 133/INF/6)

**1. Adoption de l'ordre du jour et du calendrier** (CL 133/1; CL 133/INF/1; CL 133/INF/6)

**1. Aprobación del programa y el calendario** (CL 133/1; CL 133/INF/1; CL 133/INF/6)

**CHAIRPERSON**

Our first item on the Agenda is the Adoption of Agenda and Timetable, as set out in documents CL 133/1, CL 113/1 Add. 1 and CL 133/INF/1. I hope that you all have these documents with you. CL 133/1 contains the Provisional Agenda which was distributed to all Members of the Organization, together with the invitation to this Session by Circular Letter of 14 September 2007. By Circular Letter of 22 October, the Membership was informed by a request by France to add an item to the Agenda on the Report of the International Technical Conference on Animal Genetic Resources for Food and Agriculture, Interlaken, Switzerland, 3-7 September 2007, and, after the 11<sup>th</sup> Session of the Commission on Genetic Resources for Food and Agriculture, which was held in Rome, here, from 11 to 15 June 2007. As set out in document CL 133/1-Add. 1, it is proposed that this matter becomes considered as item 13.1 under Any Other Matters. Furthermore, I should like to propose that Sub-item 11.1: Invitation to Non-Member Nations to attend FAO Sessions, be deleted from the Agenda given that there are no such invitations to Non-Member Nations to report at this Session of the Council. Are there any comments on the Provisional Agenda as set out in documents CL 131/1 and CL 133-Add. 1? I don't see any. This is fixed to the Timetable. You have before you document CL 133/INF/1, which is a provisional draft. I would like to propose that the additional item proposed by France, which I just mentioned to you, be discussed after Item 3 later this morning. With this addition, do I have your approval of the Agenda and the Timetable?

*It was so decided*

*Il en est ainsi décidé*

*Así se acuerda*

**CHAIRPERSON**

Before we continue with our agenda, and in the interest of the safety of all of us, I would now like to request your attention for just a few minutes to show you a short audio visual presentation on fire safety.

*Video Presentation on FAO Security Measures*

*Présentation vidéo des mesures de sécurité de la FAO*

*Videopresentación sobre las Medidas de Seguridad de la FAO*

- 2. Election of three Vice Chairpersons, and Designation of the Chairperson and Members of the Drafting Committee**  
**2. Élection de trois Vice-Présidents et nomination du Président et des membres du Comité de rédaction**  
**2. Elección de tres Vicepresidentes y nombramiento del Presidente y de los miembros del Comité de Redacción**

#### **CHAIRPERSON**

We now move on to item 2. Election of the Three Vice-Chairpersons and Designation of the Chairperson and Members of the Drafting Committee. Following consultations among the regional groups, we have the following proposals for the three posts of Vice-Chairpersons. Ambassador Agnes Van Ardenne Van der Hoeven of the Netherlands; Ambassador Mohammed Ashraf Gamal Eldin of Egypt, and Mr Yohannes Tensue of Eritrea. If there is no objection, I wish to congratulate these three personalities on their appointment as Vice-Chairpersons of the Council. I myself feel I am in good hands, with good assistance from the three Vice-Chairs.

For the Drafting Committee, the regional groups have proposed Mr Vic Heard of the United Kingdom as chairperson, and the following countries as members in alphabetical order: Australia, Bangladesh, Brazil, Canada, Chile, China, Ethiopia, Egypt, France, Gabon, Japan, Netherlands, Oman and Ukraine. Are there any objections to these nominations? Thank you. So I congratulate the Chairperson and Members of the Drafting Committee.

Before we move on to our next Item, may I take this opportunity to call upon your cooperation in our joint efforts to keep to the timetable for this Session. We have just today and tomorrow to get through the Agenda. So time management is going to be essential if we are to adopt the report of the Session on Friday, 16 November. It is important that we start each meeting on time. Please ensure you are here in the Red Room at the time indicated in the Order of the Day. I should also like to remind you that the full written text of your interventions may be submitted for inclusion in the verbatim records of this Session, and a shorter version delivered orally. Whenever such texts are submitted for inclusion in the verbatim records of any meetings, an announcement to this effect will be made from the podium. Furthermore, may I also request that you give a copy of any statement you intend to make to the Secretariat in advance to assist interpreters and the verbatim records staff in their work. The Order of the Day gives an e-mail address where such written interventions may be sent.

#### **IV. CONSTITUTIONAL AND LEGAL MATTERS** **IV. QUESTIONS CONSTITUTIONNELLES ET JURIDIQUES** **IV. ASUNTOS CONSTITUCIONALES Y JURÍDICOS**

- 10. Report of the 82nd Session of the Committee on Constitutional and Legal Matters (Rome, 25-26 October 2007) (CL 133/5)**  
**10. Rapport de la quatre vingt-deuxième session du Comité des questions constitutionnelles et juridiques (CQCJ) (Rome, 25-26 octobre 2007) (CL 133/5)**  
**10. Informe del 82º período de sesiones del Comité de Asuntos Constitucionales y Jurídicos (Roma, 25 y 26 de octubre de 2007) (CL 133/5)**

#### **CHAIRPERSON**

We now move on to Item 10. Report of the 82<sup>nd</sup> Session of the Committee on Constitutional and Legal Matters, CCLM. Please ensure you have before you the relevant document which is CL 133/5. The report of the CCLM deals almost entirely with the Report of the Informal Group of

Legal Experts and the process for a change in the nature of a Statutory Body under Article XIV of the FAO Constitution into a body outside the framework of FAO, which is a possible change in status of the Indian Ocean Tuna Commission. I invite Mr Emmanuel Fernandez, from the Philippines, who chaired the last session of the Committee on Constitutional and Legal Matters, to introduce the item. Mr Fernandez welcome to the podium and you have the floor.

**Emmanuel R. FERNANDEZ (Chairperson, Committee on Constitutional and Legal Matters)**

The Committee on Constitutional and Legal Matters held its 82<sup>nd</sup> Session last October 25, 2007. Document CL 133/5 contains our report on what was part of and what was decided during that session. Allow me to briefly present the main points of our report. As you can see, there were only two items on our agenda for that Session and since the first of these two items was the only substantive one, if I may say so, I wish to allow some time after my report on the first agendum for any discussion that it may elicit. The first item on our agenda was a review of the output of the Informal Group of Legal Experts which was convened last October 23 and 24 pursuant to a decision made by the FAO Council during its immediately preceding Session. The said Informal Group of Legal Experts was asked to examine the process for a change in the nature of the Statutory Body under Article XIV of the FAO Constitution into a body outside the framework of FAO. Specifically, it was tasked to examine the possible change in the status of the Indian Ocean Tuna Commission from a body within the framework of FAO to one outside of it. After taking note of the Report of the Informal Group of Legal Experts, the CCLM decided to forward it to the Council. We have therefore, Mr Chairperson, appended the full text of the Informal Group's report as an annex to our own report and the said report forms an integral part of document CL 133/5. The CCLM reserved that one and all legal issues involved had been thoroughly examined. No further legal analysis under the procedures to be followed for the removal of IOTC from FAO would be productive at this stage, since fundamental decisions and issues in principle have to be taken by the Indian Ocean Tuna Commission and its members.

The CCLM also noted that a number of other issues concerning the relationship between FAO and bodies established under Article XIV of the Constitution needed to be examined. The CCLM arrived at the view that: 1) those issues were of a complex nature, 2) they could not be seen in isolation from the extensive past practice of the Organization and from the previous decisions of the Governing Bodies, and 3) that the matter had in fact been likewise raised in the context of the Independent External Evaluation. The CCLM, therefore, concluded that this matter could be the subject of a future review in the light of all pertinent circumstances.

If the Chairperson so pleases, I shall now pause, to make room for any discussion on this particular item of our Agenda.

**CHAIRPERSON**

Thank you Mr Fernandez, for the introduction of this report and now the floor is open for any interventions, comments or questions. I have Australia, European Community, United States of America, Malaysia and Indonesia. We will start with this, so I give the floor to Australia.

**Ms Judy BARFIELD (Australia)**

Australia would like to make a statement in relation to the item on the IOTC and Australia would firstly like to express its concern with the delays in reconfiguring the IOTC to ensure its effective functioning. This matter has been discussed since the Seventh Annual Session of the IOTC in 2002 and there are many issues that remain to be resolved. Australia would like to reiterate that the IOTC is an organization mandated to ensure the sustainable management of the tuna and tuna-like species in the Indian Ocean. This is impossible without a Commission capable of managing effectively all fishing activities of tuna and tuna-like species in the Indian Ocean. Currently, much of the fishing activity for these species is not and cannot be regulated by the IOTC. The consequences of not managing all fishing activity could be a serious depletion of tuna stocks which will have detrimental affects particularly on the coastal states of the region and most

particularly on the Small Island Developing States whose economies rely heavily on these fisheries.

Decisions regarding the functioning of the IOTC are the responsibility of the members of the IOTC Commission. Australia considers that the IOTC agreement generates for its members a range of rights and obligations under international law, including the right to make decisions regarding amendments to the IOTC agreements.

That said, we recognize that FAO has a key role in supporting the members of the IOTC in coming to a decision. We would remind participants that IOTC members at the Eleventh Annual Session unanimously agreed to issue a statement inviting FAO to take immediate action on the draft amendments in preparation for their further consideration at its Twelfth Session. Australia is seriously concerned that suggestions to establish a separate process to negotiate a new agreement, further long delays that could be caused by a new process, would further jeopardize the already precious fish stocks. To negotiate a new IOTC agreement could take many years and unfortunately that is time we do not have, if we are to sustain and protect the region's tuna and tuna-like fisheries.

**Renaud-François MOULINIER (European Community)**

I am speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, Croatia and Turkey, associate themselves with this statement.

The European Community acknowledges the conclusions of the Informal Meeting of Legal Experts on the Process for a Change in Nature of the Indian Ocean Tuna Commission (IOTC), an Article XIV FAO Body, into a body outside the framework of FAO and those of the Eighty-second Session of the Committee on Constitution and Legal Matters (CCLM). The European Community would like to point out that, in its view, the main IOTC objective set out in its convention, which is the sustainable management of the Indian Ocean tuna and tuna-like species is currently not being attained, as this Organization is not in a position of operating in an efficient and effective manner.

The European Community, recalling the provisions of the United Nations General Assembly Resolution 61/105 on Sustainable Fisheries adopted in December 2006, which requires that the Regional Fisheries Management Organizations perform and implement sound management for the conservation of fisheries resources. The European Community will then await until the conclusions, report and recommendations of the IOTC Performance Review and then will re-define its position on the future functioning and structure of the IOTC.

**Lee A. BRUDVIG (United States of America)**

The United States has just a few points to make. First of all, we strongly encourage FAO to work closely with the Indian Ocean Tuna Commission to resolve any issues and concerns that may affect the effectiveness and the efficiency of the IOTC. We continue to hope that efforts to adjust the IOTC Charter to make the IOTC a more effective body will succeed in the end. As currently constituted, the IOTC faces some significant impediments. More broadly, the United States supports further examination of the relationship between FAO and Article XIV bodies, particularly in light of the findings and recommendations of the Report of the Independent External Evaluation.

**Dato' Zulkfli Bin IDRIS (Malaysia)**

Malaysia wishes to express our appreciation to the FAO Secretariat for providing document CL 133/5 and would like to thank FAO for inviting Malaysia to the Informal Group of Legal Experts Meeting for a change in the nature of a Statutory Body under Article XIV of the FAO Constitution into a body outside the framework of FAO 2007, which was held on 23 to 24 October 2007 in Rome.

Malaysia concurs with the last Council session's decision, that the efficiency and the effectiveness of IOTC should be addressed as a matter of priority through discussions between the FAO

Secretariat and concerned IOTC members, and that the Secretariat should report on the outcome of such discussions to the Committee on Constitutional and Legal Matters as well as other appropriate bodies.

Based on the Informal Group of Legal Experts meeting, it seems there was no consensus among the IOTC members regarding the withdrawal of the IOTC from FAO. Secondly, the issues concerning the relationship between FAO and bodies established under Article XIV of the FAO constitution is of a complex nature and this has been raised in the Final Report of the Independent External Evaluation of the FAO. This would need further review by the Governing Bodies. Malaysia is of the opinion that the withdrawal of IOTC from FAO is not the only solution in resolving the problems and concurs with the Informal Group of Legal Experts that the FAO Secretariat should discuss further with all concerned IOTC members in finding innovative means to improve the efficiency and effectiveness of IOTC for consideration by the IOTC at its forthcoming session.

**Susanto SUTOYO (Indonesia)**

On behalf of the Indonesian delegation, I would like to welcome the report of the Eighty-second Session of the Committee on Constitutional and Legal matters. I express our support to the outcome of the review that no further analysis on the procedures to be followed for the removal of the IOTC from FAO and its consequences is needed at the moment.

We fully agree that it is the IOTC's itself that has to deliberate and make the decision on the issue of removal of the Commission from FAO. They might wish to seek legal expert advice on the legal consequences of the removal, if they so wish, but we shall not dwell upon issues which may or may not arise.

Indonesia wishes to reiterate its position that we do not wish IOTC to be removed from the framework of FAO and that any concern regarding the efficiency and effectiveness of IOTC must be addressed under its current status.

**Ramalingam PARASURANAM (India)**

The important item on IOTC and its continuation within the overarching framework of the arrangements under FAO was discussed at the meeting of the Informal Group of Experts late last month. This meeting, specifically 25 October 2007, decided that the matter needs further deliberations as has been noted in paragraph 19 of the Report of the Informal Group which is appended to the agenda item. In our view this is necessary, and India would like to lend support to this view which has also been expressed on behalf of G77 and the Asia Group by Malaysia and Indonesia.

**HU YAN'AN (People's Republic of China) (Original language Chinese)**

First of all the Chinese delegation would like to welcome the report by this expert group. On this issue IOTC for the change of their status, China expresses its position. Now, we would like to reiterate our position and also we support India's statement. This issue is a very complicated one and we are of the view that it should be discussed within the framework of FAO. Secondly, the Chinese delegation believes that IOTC's withdrawal from FAO is not the best solution. However, the efficiency and effectiveness as mentioned by other delegates are important, and China would like work together with other countries to improve this in this direction.

**CHAIRPERSON**

Are there any other requests from the floor to speak on this item. I do not see any, so I will go back to Mr Fernandez, Mr Pucci, Legal Counsel of FAO and also Mr Tavares, Secretary of CCLM, if they want to add anything to the debate.

**Emmanuel FERNANDEZ (Chairperson, Committee on Constitutional and Legal Matters)**

Mr Chairperson, there is a second part to our report. Agenda item number 2 captures those other matters dealt with the issue of members' access to the reports of the Inspector General. The

CCLM noted that this issue was still pending. The CCLM then decided to recommend that the Council provide guidance on the matter, taking into account the related recommendations contained in the Report of the IEE.

Another item had been on the agenda of the past sessions of the CCLM, mainly the issue of the representation of the Near East Region on the Finance Committee. The CCLM did not examine this issue during its Eighty-second Session. As you all know the Near East Region wishes to have a second seat on the Finance Committee. In its previous sessions the CCLM held the view that informal consultations among the regional groups were necessary before a review of this particular issue could be conducted. In its June 2007 session the Council noted that informal consultations among regional groups had been initiated but that further time was needed for them to reach a common position. The CCLM therefore stands ready to examine this issue as soon as a common position is reached. Thank you very much Mr Chairperson. That ends my report.

#### **CHAIRPERSON**

Thank you very much, Mr Fernandez. You went beyond the item and introduced another item as well, so again the floor is open if anyone wants to talk on the second part of the Report of the CCLM. I do not see any, so I again come back to the podium to see if there are some explanations, comments. Yes, Mr Pucci, you have the floor.

#### **LEGAL COUNSEL**

I do not think that there is any question to be answered from a legal point of view. The only thing that I wish to say is that as far as the Secretariat is concerned, we have taken due note of the wishes of the Council and of the IOTC and its Members.

We shall start discussions with IOTC Members as soon as possible, I would say immediately after the Conference, and I would ask the Members of IOTC to help us in this task. The Secretariat shall surely start, immediately after the Conference, the discussion with IOTC Members in order to improve the efficiency of the IOTC.

#### **CHAIRPERSON**

Thank you, Mr Pucci. So the Secretariat has taken note of your statements. With this I take it that the Council endorses the report of the CCLM.

*It was so decided*

*Il en est ainsi décidé*

*Así se acuerda*

This item is concluded.

### **11. Other Constitutional and Legal Matters**

#### **11. Autres questions constitutionnelles et juridiques**

#### **11. Otros asuntos constitucionales y jurídicos**

*11.2 Applications for Membership in the Organization (C 2007/10)*

*11.2 Demandes d'admission à la qualité de Membre de l'Organisation (C 2007/10)*

*11.2 Solicitudes de ingreso en la Organización (C 2007/10)*

#### **CHAIRPERSON**

We now move on to sub-item 11.2, Application for Membership in the Organization. Given that sub-item 11.1, Invitation to Non Member Nations to attend FAO sessions was deleted from the Agenda earlier this morning, and the item numbering will be adjusted in the Final Report.

The Council was informed at its previous sessions of the applications made by Andorra and Montenegro for membership in the Organization. I now wish to inform the Council that in June



2007 the Director General received an application from the Faroe Islands for associate membership to FAO. Secret ballots on all three applicants are to be held on Saturday 17 November, that is the first day of the Thirty-fourth Session of the FAO Conference.

*11.3 Change in the Name of the Committee for Inland Fisheries of Africa*

(CL 133/7)

*11.3 Changement du nom du Comité des pêches continentales pour l'Afrique*

(CL 133/7)

*11.3 Cambio de la denominación del Comité de Pesca Continental para África*

(CL 133/7)

This item was purely for your information and we now move on to Sub-item 11.3 Change in the name of the Committee for Inland Fisheries of Africa. Please ensure you have document CL 133/7 before you.

I now invite the Legal Counsel to introduce this Sub-item.

#### **LEGAL COUNSEL**

I think that this issue is a very straightforward one. Let me put this Committee in its legal context. As is said in the document, this is a body established by the Council under Article VI.2 of the FAO Constitution. Why a simple question such as that of changing the name is reported to the Council for approval? It is a practice that is always followed. In view of the fact that this Committee was established by the Council, whatever change we may have to make, either to its name or to its functions, has to be reported and approved by the Council and we have done so on various occasions.

For the time being, the Committee is requesting only the approval of the change to its name in order to reflect the present situation, the situation which exists already. It is not excluded that in future we may come back to the Council if the Committee decides to adjourn in one way or another, also its terms of reference. But for the time being it is only the question of the change in the name to reflect what the Committee is doing now, to include also aquaculture in its work. It is a formal matter not having any substantive impact, but it is important that the body that established the Committee should also approve whatever changes the Committee may suggest to its name.

#### **CHAIRPERSON**

The Council is now invited to endorse the proposed change in name. May I take it that the change is endorsed?

*It was so decided*

*Il en est ainsi décidé*

*Así se acuerda*

**II. ACTIVITIES OF FAO**  
**II. ACTIVITÉS DE LA FAO**  
**II. ACTIVIDADES DE LA FAO**

- 3. Preparations for the Thirty-fourth Session of the FAO Conference  
(Recommendations to the Conference) (C 2007/12-Rev.1)**  
**3. Préparatifs de la trente-quatrième session de la Conférence de la FAO  
(Recommandations à la Conférence) (C 2007/12-Rev.1)**  
**3. Preparativos para el 34º período de sesiones de la Conferencia de la FAO  
(Recomendaciones para la Conferencia) (C 2007/12-Rev.1)**

**CHAIRPERSON**

Now we can move on to Item 3: Preparations for the Thirty-fourth Session of the FAO Conference (Recommendations to the Conference). The relevant document is C 2007/12-Rev.1.

Ms Williams will introduce this item.

*3.1 Nomination of the Chairperson of the Conference, and of the Chairpersons of the Commissions of the Conference*

*3.1 Nomination du Président de la Conférence et des Présidents des Commissions*

*3.1 Presentación de candidaturas para los cargos de Presidente de la Conferencia y Presidentes de las comisiones de la Conferencia*

**SECRETARY GENERAL**

Sub-item 3.1 regards the Nomination of the Chairperson of the Conference and of the Chairpersons of the Commissions of the Conference, in accordance with the Article XXIV.5 of the General Rules of the Organization, the Council nominates candidates for these posts and forwards the recommendations to the Conference for decision. As agreed in the last session of the Council held in June this year and following consultations with the Regional Groups, the following nominations are proposed:

His Excellency Carlos Danilo López, Minister of Agriculture, Livestock, Aquaculture and Fisheries of Ecuador for the post of Chairperson of the Conference, His Excellency Christo Wretborn, Ambassador of the Kingdom of Sweden, for the post of Chairperson of Commission I, His Excellency Don Mario Arvelo Caamaño, Ambassador of the Dominican Republic, for the post of Chairperson of Commission II.

**CHAIRPERSON**

Does the Council endorse the nominations Ms. Williams has just read out? Thank you.

Ms Williams you may continue with Sub-item 3.2

*It was so decided*

*Il en est ainsi décidé*

*Así se acuerda*

*3.2 Nomination of Three Vice-Chairpersons of the Conference**3.2 Nomination des trois Vice-Présidents de la Conférence**3.2 Presentación de candidaturas para la elección de tres Vicepresidentes de la Conferencia***SECRETARY GENERAL**

We now move on to the nomination of the three Vice-Chairpersons of the Conference. Following consultations among the Regional Groups, the following delegates have been proposed for the post of the Vice-Chairpersons of the Conference: Kaman Nainggolan from Indonesia, Validmir Iosifov from the Russian Federation and Abu Baker Al-Mabrouk Al-Mansouri from the Libyan Arab Jamahiriya.

**CHAIRPERSON**

I am sure that the Council will endorse these nominations.

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

*3.3 Nomination of Seven Members of the General Committee**3.3 Nomination des sept membres du Bureau**3.3 Presentación de candidaturas para la elección de siete miembros del Comité General***CHAIRPERSON**

We now move on to Sub-item 3.3, Nomination of Seven Members of the General Committee. The Regional Groups have proposed the following nominees: China, Denmark, Gabon, Guatemala, Kuwait, New Zealand, United States of America. I take it that Council endorses these nominations.

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

Before closing this item, I would like to inform the Council that Australia has been proposed as the seventh member of the Resolutions Committee. You will recall that we proposed Canada, Egypt, Italy, Madagascar, Paraguay and the Philippines for membership of the Resolutions Committee at our last session. I agree that the seven members be proposed before the Conference opens. Can I take it that Council agrees to nominate Australia as a member of the Resolutions Committee?

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

This brings us to Item 13.1, which was proposed for inclusion on the agenda by France. Sorry, Canada has asked for the floor.

**James MELANSON (Canada)**

I have been asked by the Chair of Commission II of the Conference to advise that there may be a need for some re-ordering of the agenda for discussion in Commission II and he asked that I so advise you and that a revised agenda will be provided shortly to the members of that Commission.

**13. Any Other Matters****13. Autres questions****13. Otros asuntos**

*13.1 Reports of the International Technical Conference on Animal Genetic Resources (Interlaken, Switzerland, 3 - 7 September 2007) and of the Eleventh Regular Session of the Commission on Genetic Resources for Food and Agriculture (Rome, 11 - 15 June 2007) (CL 133/INF/8)*

*13.1 Rapports de la Conférence technique internationale sur les ressources zoogénétiques (Interlaken, Suisse, 3 - 7 septembre 2007) et de la onzième session ordinaire de la Commission des ressources génétiques pour l'alimentation et l'agriculture (Rome, 11 - 15 juin 2007) (CL 133/INF/8)*

*13.1 Informes de la Conferencia Técnica Internacional sobre los Recursos Zoogenéticos (Interlaken, Suiza, 3-7 de septiembre de 2007) y de la 11ª reunión ordinaria de la Comisión de Recursos Genéticos para la Alimentación y la Agricultura (Roma, 11-15 de junio de 2007) (CL 133/INF/8)*

**CHAIRPERSON**

The Secretary will take note of that. So let us go back to Item 13.1, which was proposed for inclusion on the agenda by France, namely, Reports of the International Technical Conference on Animal Genetic Resources for Food and Agriculture, Interlaken, Switzerland, 3-7 September 2007, and of the Eleventh Session of the Commission on Genetic Resources for Food and Agriculture, which was held in Rome on 11-15 June 2007.

I should like to invite Mr. Müller to introduce this item. Mr. Müller you have the floor.

**Alexander MÜLLER (Assistant Director-General, Natural Resources Management and Environment Department)**

The first International Conference on Animal Genetic Resources for Food and Agriculture was held from the 3-7 September in Interlaken in Switzerland. The Conference requested its Chairperson, Mr. Manfred Birch, Director General of the Federal Office for Agriculture to report on its outcome to this session of the Council and to the Thirty-fourth Session of the Conference. Mr Birch was not able to be in Rome today and he asked me to report on his behalf.

The Interlaken Conference was a success. It was attended by delegations from 109 countries and by 42 Organizations. At the Conference, the State of the World's Animal Genetic Resources for Food and Agriculture, prepared by FAO, was launched. This country-driven report contains the first ever authoritative global assessment of livestock biodiversity and will provide a basis for our efforts to promote the wise management of animal genetic resources in the future. It was prepared on the basis of 169 country reports and inputs from international organizations and technical studies. The main result of the Conference was the adoption of the Global Plan of Action for Animal Genetic Resources. It contains 23 strategic priorities which address current and future challenges in the areas of characterization, inventory and monitoring, sustainable use, development and conservation of animal genetic resources.

It also addresses the needs for policies institutions and capacity-building at national level and through international cooperation. The Global Plan of Action was adopted through the Interlaken Declaration. The Declaration acknowledges that maintaining the diversity of animal genetic resources for food and agriculture is essential to enable farmers, pastoralists and animal breeders to meet current and future production challenges resulting from changes in the environment, including climate change to enhance resistance to diseases and parasites and to respond to changes in consumer demand for animal products.

The Declaration also recognizes the enormous contribution that local and indigenous communities and farmers, pastoralists and animal breeders have made and will continue to make for the sustainable use development and conservation of animal genetic resources. The Declaration notes

the significant ongoing loss of livestock breed and calls for prompt action to conserve animal genetic resources, animal genetic breeds at risk through the implementation of the Global Plan of Action.

Confirming their common and individual responsibilities in respect of conservation and sustainable use and development of animal genetic resources, the governments also recognized the interdependence of countries, regions and peoples.

The adoption of the Global Plan of Action and the Interlaken Declaration provide a major contribution to achieving the Millennium Development Goals, MDG 1 AND MDG 7, through the Commission on Genetic Resources for Food and Agriculture which will monitor and oversee the implementation of the outcomes of Interlaken within the context of its multi-year programme of work. Our countries have been able to make great advances in our joint effort to develop a coherent framework for the management of agricultural biodiversity.

The Multi-year Programme of Work, which the Commission adopted at its recent eleventh regular session, covers all components of genetic resources for food and agriculture including the supporting components of the International Treaty. It will create, and facilitate the coordination of our work of the different components of agricultural biodiversity.

Mr Chair I might inform you that my Government has made arrangements for the Chairperson of the International Conference and this was requested by the Conference, that Mr. Manfred Birch will represent the results of the Interlaken Conference, the Global Plan of Action and the International Declaration to the Ninth Conference of the Parties to the Convention on Biological Diversity in May next year in Bonn.

I will invite the members of the Council to approve and report the results of the Interlaken Conference in FAO's work in this field in order for the FAO Conference to endorse these as well as the Commission's Multi-year Programme of Work through which FAO Members will guide the implementation of the outcome of Interlaken.

#### **CHAIRPERSON**

The floor is open for your intervention on this issue. I give the floor to the Representative of France.

#### **Mme Mireille GUIGAZ (France)**

Monsieur le Président, comme vous le savez, la France a proposé l'inclusion de ce point de l'ordre du jour à la demande de nos amis suisses et nos amis suisses avaient préparé une déclaration en anglais alors vous imaginez mon problème mais comme je suis extrêmement proche de mes amis suisses, j'ai accepté de lire quelques lignes en anglais et je remercie les traducteurs français de bien vouloir me traduire.

#### ***Continues in English***

I would like to say, that we welcome and endorse the Interlaken Declaration and the Global Plan of Action for Animal Genetic Resources as a major contribution of FAO to the overall international framework on agricultural biodiversity, and we fully support the draft recommendations contained in the information document CL 133/INF/9, be forwarded as a draft resolution for consideration and adoption by the Thirty-fourth Session of the Conference.

#### **CHAIRPERSON**

Any other requests for the floor? I do not see any, so I take it that the Council endorses the request made by France and Switzerland to send the report as a resolution to the Conference.

***It was so decided***

***Il en est ainsi décidé***

***Así se acuerda***

I will give the floor to Ms Williams for an announcement.

**SECRETARY GENERAL**

Just a reminder for the three positions of the Vice-Chairpersons of the Conference, His Excellency Koman Nainggolan from Indonesia, His Excellency Abu Baker Al-Mabrouk Al- Mansouri from Libya and Mr. Vladimir Iosifov from the Russian Federation.

**CHAIRPERSON**

Vice Chairpersons for the Conference not for the Council, I am sure that I have your endorsement on the same.

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

This brings us to the end of this morning's session although we have time available but we are not ready to continue, so we will break now and resume at 14:30 this afternoon.

*The meeting rose at 11:18 hours*

*La séance est levée à 11 h 18*

*Se levanta la sesión a las 11:18*

# COUNCIL CONSEIL CONSEJO

**Hundred and Thirty-third Session  
Cent trent-troisième session  
133° período de sesiones**

**Rome, 14-16 November 2007  
Rome, 14-16 novembre 2007  
Roma, 14-16 de noviembre de 2007**

**SECOND PLENARY MEETING  
DEUXIEME SÉANCE PLÉNIÈRE  
SEGUNDA SESIÓN PLENARIA**

**14 November 2007**

The Second Plenary Meeting was opened at 14:36 hours  
Ms Agnes van Ardenne Van der Hoeven,  
Vice-Chairperson of the Council, presiding

La deuxième séance plénière est ouverte à 14 h 36  
sous la présidence de Mme Agnes van Ardenne Van der Hoeven ,  
Vice-président indépendant du Conseil

Se abre la segunda sesión plenaria a las 14.36  
bajo la presidencia de la Sra Agnes van Ardenne Van der Hoeven  
Vicepresidente Independiente del Consejo

### **III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS**

#### **III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION**

#### **III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS**

**5. Report of the Joint Meeting of the 98th Session of the Programme Committee and the 119th Session of the Finance Committee (Rome, September 2007)**

(CL 133/2)

**5. Rapport de la Réunion conjointe de la quatre-vingt-dix-huitième session du Comité du Programme et de la cent dix-neuvième session du Comité financier (Rome, septembre 2007) (CL 133/2)**

**5. Informe de la reunión conjunta del 98º período de sesiones del Comité del Programa y del 119º período de sesiones del Comité de Finanzas (Roma, septiembre de 2007) (CL 133/2)**

#### **CHAIRPERSON**

I call to order the second meeting of the Hundred and Thirty-third Session of the Council. We begin with Item 5, Report of the Joint Meeting of the Ninety-eighth Session of the Programme Committee and the Hundred and Nineteenth Session of the Finance Committee which was held in Rome in September.

As you will note in document CL 133/2, the only item covered was the Programme of Work and Budget 2008-2009 which will be discussed separately under Item 4 later this afternoon. I would therefore request that you withhold your comments until then. Is that alright? PWB will also cover this discussion. We will thus move on to Item 6.

**6. Report of the 98th Session of the Programme Committee (Rome, 3-7 September 2007) (CL 133/3)**

**6. Rapport de la quatre-vingt-dix-huitième session du Comité du Programme (Rome, 3 7 septembre 2007) (CL 133/3)**

**6. Informe del 98º período de sesiones del Comité del Programa (Roma, 3-7 de septiembre de 2007) (CL 133/3)**

#### **CHAIRPERSON**

Report of the Ninety-eighth Session of the Programme Committee, Reference Document is CL 133/3 and I invite Mr Heard who chaired the Programme Committee to introduce the Committee's Report. May I remind Members of the Council once again that we will be discussing the Programme of Work and Budget under Agenda Item 4 and therefore will not discuss it here. Please hold your comments on the PWB until we come to that Agenda item.

**Victor C.D. Heard (Chairperson, Programme Committee)**

I am sure Members will have received and read the Report of the Programme Committee meeting and you will be aware that we have in fact had very little to say on the Programme of Work and Budget, at least in terms of the Independent External Evaluation. I realize this issue will be discussed later, but if I could just say now that, at the time there was no final report and no Management Response and we recognize that our Committee had not been mandated to consider the IEE; there were other Committees that had. So we, therefore, did not discuss it; we did not



completely ignore it, and you will see in the Report that we did suggest that if the Programme of Work and Budget were amended by the Conference next week to take account of the IEE then the Programme Committee would then of course be ready to assist with any discussion of the changes.

I will therefore not go into huge detail about the PWB, but there are one or two programme issues within in, and this is nothing to do with the level of the programme, but one or two issues within it that I would like to draw attention to on behalf of the Committee.

On climate change, which we regarded, as we always have, as a vital element of FAO's work and responsibilities. We noted that the emphasis of that work had moved from mitigation towards adaptation. We understood this to be in keeping with the needs of the world and the Membership, but also as to better reflecting FAO's comparative advantage. We were less pleased to hear that resources for gender work had in some ways and in some aspects been reduced. This was sad; we drew attention to this in our Report as well.

The main business of the Programme Committee in the last meeting was really focused on evaluations, and there was one very significant major evaluation on the International Plant Protection Convention. This was a very complex, highly detailed and very thorough evaluation which had the interesting and slightly unusual elements of having been largely agreed by Management. Very often the management response declines to accept some of the recommendations, but in this case they were almost all accepted with one or two on which there were queries. We explored the queries, so far as I recall, in all cases we found that they were really quite sensible things to query about.

We did, however – as often happens with considering evaluations within FAO – come across issues where it was clear that there are several internal procedures and regulations which appeared to us to be barriers to FAO making the most cost-effective decisions over things. In this case, we mentioned translation in the report but there had been others. This is an area where obviously the Independent External Evaluation can draw benefits for the Membership.

This is the end of the mandate of the Programme Committee as it stands at the moment (it needs to be reconstituted in the next week or so). Finally, I would like to thank my Committee colleagues for their very thorough, painstaking and above all collegiate and good-humored approach to our work. I believe that the Committee delivered the advice and comment required or to the extent possible. Our efforts of evaluations, I believe, to have been quite beneficial. I think we also went as far as it was possible to go in our wider role on the programmes themselves.

However, I hope the Committee Members will allow me to make a comment which they may not share (it is a personal comment, a personal view). Despite the quality of the Committee's output, I did sometimes feel that FAO might be better served if the Programme Committee could take a more strategic role in Programmes. This, of course, is something that is also explored in the Independent External Evaluation. There are suggestions for an FAO strategy. where there is such a strategy then an Organization like the Programme Committee could perhaps be one of the elements that would try to ensure that FAO kept on that strategy and to make suggestions for it to do so better. I think that would probably, in a different kind of relationship, produce better value for money for FAO.

#### **CHAIRPERSON**

Thank you very much Mr Heard for highlighting particular issues in the Report of the Programme Committee, such as climate change, gender, the IPPC and also the recommendation of playing a more strategic role by the Programme Committee.

I hope that you will reflect on this.

On behalf of the regional groups, the floor is open for discussion.

**Abdel Aziz Mohamed HOSNI ABDEL AZIZ (Egypt)**

The Egyptian delegation would like to commend the Programme Committee and its Chair for the report and also the Secretariat for the preparation of the published document CL 133/3.

We would like to support the welcoming and endorsement by the Committee for the intent to formulate by early 2008 an all inclusive strategy on capacity-building, knowledge management and, in addition, for agreeing to address in full length issues linked to climate change and bio-energy with a multi-disciplinary approach in mind.

Also, the Egyptian delegation agrees with the Committee's view of stressing on the immense importance of technical assistance in developing member countries' capacities to fully benefit from the workings of the International Plant Protection Convention and its institutional arrangements.

The consideration by the Committee that capacity-building should remain high on the agenda and a priority for the TCPs of FAO is a target well aimed at and definitely in place. The support of the Committee here is also appreciated in recommending the making use of work done by regional organizations in areas around the world, in general, and in Africa, in particular, where harmonization and intensification of efforts is mostly required.

**Habib Al ABDOUNI (United Arab Emirates) (Original language Arabic)**

I should like, at the outset, to enquire about one thing.

You said that we should not comment on Item 4 now. Did I understand correctly?

Am I to comment on Item 6 or should I comment on Item 6 under Item 4, both together? Please advise me Madame.

**CHAIRPERSON**

I will try to advise you but I am not sure whether we are on the same line.

Later on this afternoon we will discuss the PWB 2008-09. Now on the table is the Report of the Programme Committee and we should not mix both issues.

So, the question is whether you have some particular issues that you want to raise now, because now we discuss only the Report of the Programme Committee and later on we have the PWB 2008-09. It is up to you when you want to step in.

**Habib AL ABDOUNI (United Arab Emirates) (Original language Arabic)**

We will wait until we reach Item 4.

**Lee A. BRUDVIG (United States of America)**

The United States would like to address Item 3, the Independent Evaluation of the Workings of the International Plant Protection Convention and its institutional arrangements.

First, the United States would like to reiterate its support of the work of the IPPC. The work of FAO standard-setting bodies is imperative. We agree with the high priority assigned to plant protection by the Independent External Evaluation. We also agree with the Programme Committee's assessment of the importance of technical assistance to build countries' capacities to benefit from the IPPC.

We share the Report's conclusion that there needs to be an overall FAO strategy for capacity- building and a global strategy for phyto-sanitary capacity-building that should take into account what other organizations are doing in this area.

We also want to stress the importance of increased and reliable FAO Regular Programme funding for the IPPC.

**Zulkifli IDRIS (Malaysia)**

Malaysia commends FAO for providing document CL 133/3 that has taken into account the comments of the Technical Committees, the Programme Committee and of the last Council Session.

We concur with the Committee that a full Programme of Work and Budget 2008-09 be revised in line with the guidance of the Conference. The Conference should invite the Programme and Finance Committees to review any proposed revisions as soon as the FAO Secretariat has formulated them.

Malaysia also concurs with the Committee that there is a need for further collaboration between the three Rome-based UN Agencies for efficiency savings and avoiding duplication of activities.

Malaysia urges FAO to provide the report on the collaborative works to the Committee and identify new areas for further collaboration and also a report on the efficiency savings through the implementation of reforms proposed by the Director-General of FAO in the last biennium.

Malaysia encourages FAO to formulate comprehensive strategies on capacity-building and knowledge management in addressing major issues such as the impact of HIV/AIDS, climate change and bio-energy on agriculture and rural development.

My delegation concurs with the Committee that CODEX and the International Plant Protection Convention work continue to be under-budgeted. We call upon FAO and WHO to redress this matter and also facilitate capacity-building, particularly, in the IPPC.

We support that the scope of the IPPC multilateral Trust Fund be broadened in to overcome the limited resources.

Malaysia also concurs with the Committee in urging FAO to carryout evaluation on FAO's work in statistics, particularly FAOSTAT, and to seek funds from extra-budgetary resources for this purpose. FAO should also show some flexibility in funding, particularly in areas of work like transboundary animal diseases and pests because of the nature of the problem and to ensure a better performance in the future.

**LUO MING (People's Republic of China) (Original language Chinese)**

The Chinese delegation supports the Programme Committee's comment on insufficient funding for IPPC as well as the proposal to raise funding for the Committee. Raising the capacity on this planned work will be able to guarantee a high quality in food production, and we suggest that resources be given to this area of work.

**José Antonio MARCONDES de CARVALHO (Brazil)**

My delegation would like to express its gratitude for the work done by the Programme Committee and the important efforts it has made in dealing with fundamental issues. Brazil, like the Committee, welcomes an integrated presentation of regular and extra-budgetary funds. We believe that any resource mobilization strategy must take into account the need to preserve and defend the multi-lateral nature of FAO and avoid any possibility of distortion in the implementation of its mandate as well as the decisions taken by the Governing Bodies. We also look for more pre-visibility for the resource allocation system.

Regarding the topic of bio-fuels, referred to in the Programme Committee report, Brazil shares the view of the need for greater participation of FAO on the issue of bio-energy and its related matters. Bio-energy opens a fantastic opportunity for developing countries to diversify their sources of income, thus contributing to poverty reduction in a global scale.

Concerning paragraph 16 of document CL 133/3 on the financial situation of CODEX Alimentarius and the IPPC, Brazil gives priority to the good functioning of that Commission and welcomes ongoing negotiations between FAO and WHO, hoping that they can be conducive to a better and sustainable financial situation of the CODEX Committee.

Likewise, Brazil also expects that the International Plant Protection Convention will also benefit from a more substantial allocation of funds. Specifically in the case of CODEX, Brazil also supports the strengthening of the Trust Fund for Enhanced Participation in the CODEX. We welcome the results achieved so far but stress the need for further resources to provide capacity-building and allow the much needed greater participation of developing countries in CODEX meetings.

Brazil recognizes the crucial role of CODEX Alimentarius for developing countries. Boosting their agricultural exports and improving the social and economic conditions of their rural populations.

Today, broader participation and more transparency, stand as the two main challenges before us if we are indeed committed to make CODEX Alimentarius a more democratic, participatory, accountable and efficient norm-generating exercise. Nevertheless, bearing in mind the growing importance of developing countries as agricultural producers and exporters, it has become virtually impossible for governments of developing countries, limited by budgetary constraints and lack of financial and human resources, to follow at all levels the important discussions on food safety regulations. Hence, we believe that the current structure of the CODEX Alimentarius hinders the effective participation of developing countries and consequently the production of international phyto-sanitary norms, which should stem from a true consensus among all of the membership.

Indeed, in the last 30 years we have witnessed the multiplication and geographical dispersion of the CODEX in a vast array of 25 committees, many working groups, sub-working groups, technical meetings, etc.

Brazil believes that the time has come for the membership to review and change the way CODEX Alimentarius is now operating. There is a true need to reform the conduct of work of the CODEX so that developing countries can fully and actively participate, ensuring a system in which their views can be considered and truly taken into account.

In view of the importance of the issues dealt by the CODEX, my delegation is fully committed to find ways of ensuring participation of developing countries as well as seeking a more rational and efficient conduction of its work. We do believe that the work of the Programme Committee has a lot to do with such effort.

**Ms Judy BARFIELD (Australia)**

Australia endorses the Report of the Programme Committee and as an outgoing member of the Programme Committee, Australia also supports the Chair's comments on how the Programme Committee could function more effectively, particularly, drawing on the findings of the Independent External Evaluation.

Australia also supports the comments made by the United States on the value of the evaluation of the International Plant Protection Convention (IPPC). We agree that there is insufficient funding for the IPPC, as mentioned by Malaysia, and the need to maintain the real level of funding to CODEX is another issue that is important, this was raised by Brazil.

**Sutarto ALIMOESO (Indonesia)**

The Indonesian delegation would like to welcome the Report of the Ninety-eighth Session of the Programme Committee and commend the work done by its members.

We concur with the Committee's endorsement for the formulation by early 2008 of comprehensive strategies on capacity-building as well knowledge management while addressing more at length climate change and bio-energy.

In addition, we should not lose sight and keep our energy at the same level or even higher on the issue of Avian Influenza. It may seem that the crisis is over but as many scientists believe, the occurrence of the next pandemic, which happened three times in the last century, is not a question of if but when.

Therefore, in setting the priorities of this very organization, we have to realize that FAO plays a key role in winning the global health people to ensure that a pandemic does not happen in our time. FAO could exert action its expertise to ensure that all the nations of the world are prepared to prevent and fight it, especially in empowering all countries to equitably develop their own preparedness and protection capacity for all infectious and life threatening diseases. Indonesia welcomes to plan work of FAO with regard to bio-energy which would cover, among other factors, the implication for food security and environmental dimension. However, Indonesia calls on FAO to not only focus its assistance on the countries with greatest engagement in bio-energy production but also in other countries which has potential to become bio-energy supplier which have ample land and human resources to utilize.

#### **CHAIRPERSON**

Thank you very much Indonesia. I would like to give the floor to Cameroon and then the United Arab Emirates.

#### **Moungi MEDI (Cameroun)**

Permettez moi d'abord de dire combien nous sommes contents de vous voir présider cette session de l'après-midi de la 133<sup>ème</sup> Session de notre Conseil. Pour commencer, nous voulons d'abord accueillir favorablement ce rapport de la 98<sup>ème</sup> Session du comité du Programme et remercier notre président de ce Comité pour ce propos introductif. Nous endossons l'ensemble des conclusions auquel est arrivé le Comité dans les différents points de l'Ordre du jour qui étaient inscrits à cette Session.

En commençant par le Programme de travail du budget, nous pensons que les indications qui ont été données par le Comité sont capables de nous orienter vers une adoption de notre programme de travail et nous leur sommes gré d'avoir travaillé si bien pour nous donner de bonnes orientations; mais permettez-moi pour ce qui est du Programme de travail du budget de revenir sur un point qui a été soulevé; je pense que c'est un point mineur mais que beaucoup ne font pas attention à ça: sur le point 4. Le deuxième paragraphe où il est dit il a noté que les résultats biennaux n'avaient pas été préparés à ce stade et encourager l'adoption à l'avenir d'une approche davantage orientée vers les résultats pour la présentation du programme. Je pense que plusieurs Programmes de travail ou des sommets de programmes de travail du budget que nous examinons ou sur lesquels il y a des rapports qui ont été faits et je pense que l'idée de la présentation d'un Programme de travail et de budget a été, si mes souvenirs sont bons, déjà introduites au début des années 2000. Je crois que cela devait être en 2002 et c'est dans ce contexte certainement que le Programme de travail et le Comité de programme travaillait. Est-ce qu'il y a eu une déviation entre temps pour qu'on revienne sur une recommandation de ce genre, car nous aimerions en savoir plus, car pour nous tout était basé pour arriver vers des résultats. La programmation depuis 2002, à notre humble connaissance, était basée sur les résultats. S'il y a eu une autre orientation dans la programmation, on aimerait savoir pour que ce genre de recommandation revienne. Pour le reste, permettez-moi de revenir sur l'évaluation de la CIPV.

Je voulais également faire un commentaire sur ce que notre collègue du Brésil a dit sur le Codex mais je pense qu'il a été suffisamment exhaustif pour que je ne revienne pas sur le sujet. Nous entérinons entièrement ce qu'il a dit à ce sujet pour ce qui concerne le Codex. Maintenant, pour l'évaluation je voudrais revenir au paragraphe 24 qui m'a un peu ennuyé parce qu'il s'agit d'une recommandation de l'évaluation. Le Comité a reconnu que la recommandation relative à l'externalisation des traductions n'était pas conforme à la politique de l'Organisation mais que cette solution permettait assurément de réaliser d'importantes économies. Quant à la réponse du Management, il a également pris acte du fait que le Vice-président de la CMP estimait que les noms étaient très techniques et que les spécialistes de la protection de végétaux étaient les mieux à même de les traduire. Je crois que c'est un peu dangereux de mettre ce genre de choses dans un rapport car chaque chose a sa spécialité; si ce sont des spécialistes en protection des végétaux, ils doivent être spécialistes en protection des végétaux. Je ne peux pas comprendre qu'en même temps ils soient traducteurs ...c'est un peu dangereux...je suis un peu ennuyé d'avoir ce genre de recommandation. Heureusement que c'est le Vice-président de la CMP qui l'a dit et que ce n'est

pas le Comité; mais si le Comité accepte que cela soit dans son rapport ça veut dire que c'est plus ou moins quelque chose qu'ils voudraient intégrer. Voilà un peu les petits commentaires à ce stade. Je remercie encore une fois le Comité de Programme d'avoir fait du bon travail.

#### **CHAIRPERSON**

Thank you very much Cameroon. Now I have two speakers on my list. It is the United Arab Emirates and Uruguay. First the United Arab Emirates and Thailand, of course. Three speakers now.

#### **Habib AL-ABDOUDI (United Arab Emirates) (Original language Arabic)**

I would very much like to welcome the outcome of the 98<sup>th</sup> Session of the Programme Committee. As regards the Director-General's proposal, perhaps I can let Council know that my Government would like to confirm the request that was made at the recent June Session. Our commitment to host the Sub-Committee for the Gulf Countries in accordance with the agreements that we have with the Organization. And that is why we seize the opportunity here to say that we are working together with the Secretariat to put in place a Headquarters Agreement with the Organization, allowing for this Sub-regional Office to start its work and to become operational as soon as possible. I very much hope that you agree that as of 2008 we have an operational office of this kind. Let me seize this opportunity to say that the Gulf countries, Yemen, the Regional Group, the Near East Group, G77 and China welcome this request and have supported it. Finally, be assured that we will undertake all necessary measures to make sure that the new Sub-regional Office will work to its best effect to meet the mandates of the Organization and the expectations of its Members.

#### **CHAIRPERSON**

Thank you very much. I think that discussion will be taken up when we talk about the PWB. Now I move to Uruguay and Thailand is on my list and then Nigeria.

#### **Gabriel BELLON (Uruguay)**

Mi delegación desea apoyar totalmente la intervención de la delegación del Brasil en relación a la necesidad de modificar la estructura actual del funcionamiento del Codex en el sentido expresado por dicha delegación. Asimismo, compartimos lo expresado por las delegaciones anteriores en relación a la necesidad de fortalecer las actividades de la convención internacional de protección fitosanitaria con la consiguiente asignación adecuada de recursos.

#### **Pinit KORSIEPORN (Thailand)**

We thank the Chairperson and the members of the Programme Committee for submitting this report to the Council. Thailand is very pleased that IPPC has received the attention of the Programme Committee in terms of budget allocation. Thailand shares Committee's view on technical assistance especially to develop Member Nations' capacity to fully benefit from the IPPC. Madam Chair, Thailand is one of the countries that has completed national medium-term planning framework. Thailand sees the benefit of this exercise and would urge FAO and Member Nations to prepare national medium-term planning framework as early as possible. We believe that this exercise is useful for Member Nations as well as FAO's implementation.

#### **Yaya OLANIRAN (Nigeria)**

Let me seize the opportunity to congratulate you on chairing this meeting this afternoon. I want to associate myself and my delegations' commitment to what the chairperson of the Programme's Committee has just said, as the more strategic role that a committee should be able to perform for FAO so that issues may be better understood and put in context. My delegation fully associates with his remark, that he said is personal.

Also as a member of the outgoing committee, I want to associate fully with the remarks that the delegation from Brazil has just enumerated concerning CODEX and IPPC. Unless there is a thorough overhauling of the operational way of doing things in CODEX and IPPC, it is not likely

that the developing countries will be able to take the benefit of their agricultural potentials, and in effect there is no way they can break the poverty cycle which has been on for so many years. If things can be properly aligned and worked out and more transparency inclusive, then all the effects and all the efforts of the exercise by developing countries will be able to hand them the necessary forms/funds that will make them develop other aspects of their lives. And I think this is quite an important one, and once it can be done with all the necessary inputs and commitments, then we shall begin to see the duration and improvement in the efforts and lives of the developing countries. Once again, I want to say that my delegation also fully appreciates what is happening with respect to the FAO role in terms of the Avian Influenza. It is still very much around, and efforts must be done to stem it. Finally the effort that also has gone into the discussion with the various South-South Cooperation cannot be overemphasized.

**Yohannes TENSUE (Eritrea)**

Eritrea welcomes the Report of the Programme Committee; especially it welcomes the Programme's increased initiative on climate change, bio-energy and transboundary diseases. This requires an increase of burden on programme and budgetary needs. We welcome the great presentation of the regular budget and extra-budgetary funds. Up to now it was not very clear to Members how the extra-budgetary funds were used. They were totally under the control of the donors. Similarly to this, the role played by the Investment Centre of FAO is not in its comparative advantage of FAO. It serves the World Bank and no credit goes to what FAO is doing because of the absence of allocating the resources contributed by the World Bank, no matter what is its proportion to the programmes. If we have the resources, we know what to do with the programmes. So unless we are sure we have the resources, we cannot plan our programme. That is why I am going a bit to the Finance Committee.

Even if this clarification was given by the Independent External Evaluation, that we have to ensure when we establish our programme not necessarily with available funds. So this is to say that we welcome the integration of any funds, extra-budgetary funds to be a regular part of the Regular Programme, that the Programme Committee or any programme can be planned accordingly.

We have noted the declining budgets of CODEX and phytosanitary measures, and we can simply ask why, because most of the budget for this were from extra-budgetary funds and voluntary contributions, and they keep declining. We follow this trend. There must be a standard where we stick to the Regular Programme and any contribution to that effort should be allocated to the Regular Programme. So these are our main concerns, and we feel very strongly about them.

**José A. QUINTERO GÓMEZ (Cuba)**

Brevemente sólo para apoyar las intervenciones que se han realizado respecto a la Comisión de Medidas Fitosanitarias, muy especialmente lo que han planteado varias delegaciones y en particular la delegación del Brasil, referente a la necesidad de buscar métodos para perfeccionar el trabajo de la Comisión del CODEX alimentario.

**Ms Vangile TITI (South Africa)**

South Africa would like to join other speakers in congratulating the Chair of the Programme Committee for the report before us. We endorse the Chair's comments regarding the future role of the Committee. South Africa is particularly pleased with the attention given to climate change and bio-energy in the report, as the most challenging issues to be addressed by the FAO going forward. We would like to reiterate the importance of financing gender-related work in support of gender mainstreaming in the FAO. Finally, on the matter of the IPPC, my delegation would like to stress the need for capacity-building on phytosanitary measures, particularly for regional standard-setting bodies.

## **CHAIRPERSON**

Thank you very much South Africa. This is more than a mouthful of recommendations and observations on behalf of the regional groups and countries, I would like to ask Mr Heard to reflect on these comments and then I hope we can endorse the report.

### **Victor CF.D. HEARD (Chairperson, Programme Committee)**

I will try to respond to some of them, although a number of them are in the area that the Secretariat is best able to respond. I am relieved to see Mr Juneja sitting by my side here as I think that some points probably fall to him and some to others who are sitting behind. So on the points that I feel I can, first of all can I thank for the quality of these comments and the obvious interest that has been taken of the work of the Committee. You can imagine from this the depth of discussion we had during the week of the last Programme Committee. What I would like to do, rather than respond to the comments that have been made, because in some ways this is not really possible, is to provide some reflections on the way the Committee approached some of these issues, to make clear of where we were coming from and to clarify some points that were of wide interest to Members of this Organization.

One thing that has come through very, very clearly is the feeling that IPPC and also CODEX are wonderful instruments that are not necessarily delivering the goods in developing countries because of the complexity of the arrangements they have put in place and the difficulty of translating those into actual physical activities on the ground. This is the aspect that the Committee took in their discussions. We have referred I think once or twice to CODEX in the reports, under the IPPC discussion, which was not strictly speaking on CODEX. We did draw attention to the fact that during the Codex Alimentarius meeting that had taken place not long before, we understood that a proposal had been made to widen the scope of the Codex Alimentarius Trust Fund in a way which turned it into more than just a reactive instrument but something which could actually help deliver directly to Member Nations of this Organization the benefits Codex Alimentarius in a number of ways and we suggested that this might be looked at in the context of IPPC as well. The two Trust Funds are very similar in their origins. They mainly pay for transport costs, travel costs of people visiting Rome and elsewhere for IPPC and CODEX meetings. That is good but we felt not enough. There needs to be more to join the role of FAO into what needs to be done in country, on the ground, and some sort of Trust Fund to do that might a better instrument. This relates to the capacity-building efforts that CODEX and IPPC should engage in. I was grateful for the comments, in particular from Brazil and Eritrea, over the comments we made on the integrated budget approach which tries to integrate extra-budgetary funding and the Regular Programme funds. Mr Juneja may have comments on this but we regard it as work in progress. It is better, but what I think we were looking for was some kind of over vision so that we could see what went where and how the Organization was being financed from all sources so that there was a comprehensive view of what was important to the membership and also what was needed, more attention from Regular Programme funds or elsewhere, so I think this is something that is improving but needs to be improved still further.

There were some really incisive comments from Cameroon which I would like to deal with, particularly because they do relate to a rather obscure discussion we had over outsourcing of translation. This was one of the very few areas where the management response from FAO on the IPPC did not agree with the recommendations of the evaluators. Exactly as Cameroon has said, the management response said there was a need for quality control and these are very, very technical areas. What we discovered in our discussion was that although FAO has technical capacity in this area, it is a highly rarefied area where technical capacity comes in various layers. The more rarefied technical layers actually lie in the CPM and in the national committees of the IPPC. That is where the ability to do these translations lies more securely than in IPPC and the Secretariat itself. For that reason, the quality of what they were producing was regarded by CPM, and we took their advice on this because of their capacity to give advice on this issue, but we took their advice that this was probably a better way of doing it than trying to translate this material in



house and the reason that this was done in this way was not because the technical staff in FAO felt that they could do it better but because there is a regulation that documents being translated for certain committees and certain formal activities of FAO must be done in house and the aim of that is to preserve the quality of the technical content. In this case, we felt that some relaxation of that rule would have produced certainly no less quality, probably as I understand that some of the national committees actually correct these texts that are produced within FAO, but a better quality at a far far lower price and that was the point that interested us. I think we were talking of maybe a quarter of a price for the same work. So this was the kind of discussion we had. We requested advice on this during the committee meeting from various members of the Secretariat and we received it, and this was our conclusion on that basis. On Cameroon's second point, on the planning arrangements, the reference to performance base and the comment on the change from results-based, I am not sure these are altogether different; I think there may be something in the translation which has produced something which appears to be different from something which is actually the same. I am pretty sure we were talking about results-based and that indeed is very similar to performance-based. This may be an area where Mr Juneja is better placed to comment than me.

Again, I would like to thank everyone for their comments and for the references they have made to the work of the Committee which I thoroughly agree with. The Committee has been a pleasure to work with, speaking as its Chair. I would particularly like to thank Nigeria, Australia and South Africa for their support for my view that there is a more strategic role that might be played by this Committee. I think perhaps this is something that needs to be looked at not in this meeting, but in the long discussions we are going to have into the small hours of the night on the IPPC.

#### **CHAIRPERSON**

Thank you very much Mr Chair. I would like to invite the Secretariat to respond to some particular questions. Mr Juneja.

#### **Manoj JUNEJA (Director, Office of Programme, Budget and Evaluation)**

Thank you very much Madame Chair. I would like to touch up on two specific questions that were raised by members. The first was actually commented upon by the distinguished Chairperson of the Programme Committee. That relates to the question of Regular Programme and extra-budgetary funding in order to present an integrated view, and a comprehensive view, of the activities of the Organization. Such a comprehensive view will also enable better oversight by the Governing Bodies of this important source of income. Moreover, the steps being taken to present an integrated programme of work and integrated implementation of the Organization's activities would also pave the way for a more concrete organization-wide resource mobilization strategy. So this is an area that the Secretariat itself is extremely committed to work on further, also taking into account the recommendations of the Independent External Evaluation.

The second point is the kind offer from the UAE, conveyed by the distinguished Representative, for that country to host the Sub-regional Office for the Gulf Cooperation Council States and Yemen. As Members are aware, this proposal has been tabled for some time ever since the 2005 Reform proposals. It was considered by the Council in November 2006 where it stressed the need for further examination of the original proposal. Progress was reported also to the June 2007 Council, where again it was indicated that a concrete proposal would be made in due course. Members may recall that the main concern of the Council was the extent of Regular Programme funding for this Office, and I am pleased to underline that the principle being negotiated by the Secretariat for the establishment of this Office is the principle of full cost reimbursement to the Regular Programme for all the expenditure incurred by this Office. What this implies therefore, is that the establishment of this Office would not require any incremental Regular Programme resources.

Madame Chair, there were a number of specific questions on the evaluations themselves, in particular the CODEX evaluation and the IPPC evaluation. With your permission, perhaps John

Markie, the Chief of the Evaluation Service, may have some comment to make on the evaluations, Mr Boutrif on CODEX evaluation, and Mr Pandey on the IPPC evaluation. Thank you

**CHAIRPERSON**

Thank you very much Mr Juneja, I may invite Mr Markie to come with his response on the particular questions on evaluations, three of them, and Mr Boutrif on the evaluation of the CODEX and Mr Pandey on the remaining subject, the IPPC.

**John MARKIE (FAO staff)**

Thank you, Madame Chairperson. Well first of all I would like to thank the Members for their kind words about these evaluations and the work programme of evaluation. I don't in fact think that there was anything specifically addressed as a question with regard to the evaluations themselves, in that my reading of the discussion was that you found them helpful and as an input into decision-making by the Governing Bodies and by the respective bodies, in this case the CPM for the IPPC, so I would not particularly try to answer questions which were not asked.

**CHAIRPERSON**

Thank you very much, and Mr Boutrif, there was a lot of discussion on the CODEX, maybe not particularly related to an evaluation, but maybe you could also respond on that, and finally, Mr Pandey, on the IPPC. Mr Boutrif

**E. BOUTRIF (Director, Nutrition and Consumer Protection Division)**

Thank you Madame Chair. Thank you also to all those delegates that expressed support for our work on CODEX and CODEX-related activities. There were particular comments made by Brazil which were supported by a number of other delegates which perhaps require some clarification. It is true that CODEX has been established since 1962, more than forty-five years have passed, and it is always after such a long time that one always looks at some innovations and perhaps some improvement, but the way that CODEX has been working since 1962 has been in constant and continued change to adapt to situations. As you all recall in 2002, there was a major evaluation of the Codex Alimentarius Commission and CODEX-related activities. This evaluation made a number of recommendations, and I am pleased to announce that the Codex Secretariat, FAO and WHO have fully implemented all the recommendations that were made by the evaluation. Now, on the participation of the developing countries in CODEX, I should clarify that since the establishment of the CODEX Trust Fund and the generous support from a number of donors to this Trust Fund that is managed by our sister organization, WHO, the participation of developing countries in CODEX work has tremendously increased and improved in quality. I can mention that in 2006 the Codex Trust Fund enabled 111 delegations to participate in different committee meetings. In 2007, the plan is to support 177 delegates from 88 countries to participate in CODEX meetings. These are very important developments that definitely deserve to be mentioned.

The other element that is indeed important also to mention is the fact that a number of developing countries now have taken over some of the CODEX committees' work. I mention in particular China that now hosts the Codex Committee on Food Additives and the Codex Committee on Pesticide Residues. We have Malaysia that now hosts the Codex Committee on Fats and Oils. Brazil and Mexico also host two important committees; one on fruit juices and the other one on fresh fruit and vegetables. These committees have been working in Brazil and in Mexico for some years now. In addition, whenever possible some of the host countries in the developed part of the world have been transferring some of their meetings to the developing parts of the world. I can mention that, as an example, the latest meeting of the CODEX Committee on Food Hygiene which is hosted by the United States was held just last week in New Delhi, India. So it was hosted by India. So these types of arrangements, let us say, favour the participation of developing countries in CODEX meetings and we are seeking more of these types of arrangements, that is, those committees that are hosted by industrialized countries could hold some of their sessions in developing parts of the world.

I must also emphasize here that the point that has been preventing some of the countries of holding the CODEX committees is the cost involved. Some of these costs are really prohibitive for the developing countries to take on board, and this is why the acceptance of some of the developing countries to hold meetings has been limited, but we are noticing some important developments, as I said earlier, for China, Malaysia, Brazil and Mexico. Let us take the capacity-building for CODEX. The Codex Trust Fund also allows to carry out capacity-building activities focused particularly on better understanding of the CODEX process and better participation or let us say more effective participation in the CODEX process, and through the Codex Trust Fund we held two regional workshops; one in Costa Rica for Latin America and the Caribbean and another one in Rabat for the Africa Region. We are planning a third one for the Asian countries in Indonesia. In addition to that, FAO under its Regular Programme as well as WHO and sometimes jointly, we have a large programme of capacity-building in the Codex arena, both using the Technical Cooperation Programme of FAO but also a number of Trust Fund projects that we have in different parts of the world. I believe that these capacity-building activities, although they are still less than what we would have liked to see, but the resources have been limited in comparison to the demand for capacity-building from developing countries, but we are making every effort to mobilize additional extra-budgetary support to assist the developing countries in the application of CODEX standards and also in effective participation in the work of the CODEX task commission.

**Victor C.D. HEARD (Chairperson, Programme Committee)**

There is a reference in paragraph 16 of the Reports to the WHO contribution only being less than 20 percent, and there are high level discussions going on to increase this. I am told there has been no success so far in those consultations, and it is still less than 20 percent and I thought you might welcome this information.

**Shivaji PANDEY (Director, Plant Production and Protection Division)**

I did not hear any questions about IPPC, I generally heard support for the recommendation for additional financial support for capacity-building to the Member Nations. I must say that the Secretariat at least has long known that IPPC is not fully delivering to developing countries and the true objectives that it has, one is to reduce the probability of crop losses due to introduced pests and the second one is to facilitate trade. So there was an imbalance. They are delighted that the evaluation is pointing out the recommendations, the Programme Committee has accepted those recommendations, and now, at least in this, the United States, China, Malaysia, Nigeria, Brazil, Uruguay, Australia, Thailand and South Africa have all accepted this because the capacity-building growth and the technical and infrastructural level, the developing countries are not fully benefiting from the IPPC in reducing their hunger and poverty.

So this is a very positive recognition, at least as far as the Secretariat is concerned. I will say that, in spite of declining budget of FAO, the Members are aware that FAO has increasingly allocated more Regular Programme funds to IPPC during the last couple of biennia, at least that I have been around. We have also have new ideas in raising additional extra-budgetary resources. We will certainly press ahead with them, but we note that we are in your hands to a great extent also in procuring those extra-budgetary resources.

**CHAIRPERSON**

Before we go to the endorsement of the Report, I would like to give the floor to Germany who has asked for it.

**Ms Swantje HELBING (Germany)**

Please allow me to give the floor to Portugal who will speak on behalf of the European Union, I do apologize for coming in so late, but Portugal was still hoping for the Head of Delegation to be able to take the floor himself.

**Ms Rita LOURENÇO (Observer for Portugal)**

I am speaking on behalf of the European Community and its 27 Member States, the candidate countries to the European Union, Croatia and Turkey associate themselves with this statement.

The Members of the European Union has considered with interest the Report of the 98<sup>th</sup> Session of the Programme Committee. We agree with the Committee that the Programme of Work and Budget presentation is clear in its present form, and accept the conclusion that the Programme of Work and Budget accurately reflects earlier guidance provided by the FAO Membership.

We also welcome the Committee's observation that if necessary the Programme of Work and Budget should be revised in line with any decisions taken by the Conference related to the Independent External Evaluation.

The more integrated presentation of regular and extra-budgetary funded elements referred to in paragraph 14 is already in line with the references to this issue in the Independent External Evaluation.

Climate change is of great importance to the Members of the European Union, as it is to all countries, and we therefore note with interest the fact recorded in paragraph 13 of the Report, and that emphasis in FAO's work is moving from mitigation to adaptation.

We understand that this reflects the comparative advantage of the FAO in adaptation and that it does not signify that the Organization is deserting mitigation. The contribution of agriculture itself to climate change is significant, and is an appropriate area for FAO's attention.

We share the concern of the Committee recorded in paragraph 17, that resources for gender work had been cut. This seems out of line with the importance of this issue and with the significance given to it in the paper presented to this Conference on gender.

The European Union would be grateful if the Secretariat would confirm that a reduction in resources has been mirrored by increases in mainstreaming gender work. We welcome the Committee's comments on the evaluation of the IPPC. The Committee's observation on administrative issues are of as great interest as those on technical matters. For example, we note the observation in paragraph 24, the current policy does not permit outsourcing of translation, despite significant cost savings, and look forward to this policy being re-examined following the Independent External Evaluation.

The European Union believes that the Programme and Finance Committees should take a forward-looking and strategic role. This has not always been evident in their work so far. We believe that this should be part of the reform of governance that will follow from the Independent External Evaluation.

**CHAIRPERSON**

First of all I would like to thank the Chair of the Programme Committee for the presentation of the Report and answering the questions and comments on your views. I would also like to thank the Secretariat for their comments and now I think we can endorse the Report of the Programme Committee.

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

**7. Reports of the 119th Session (Rome, 3-7 September 2007) and 120th Session (Rome, 8 and 9 October 2007) of the Finance Committee (CL 133/4; CL 133/11)**

**7. Rapports de la cent dix-neuvième session (Rome, 3-7 septembre 2007) et de la cent vingtième session (Rome, 8 et 9 octobre 2007) du Comité financier (CL 133/4; CL 133/11)**

**7. Informes del 119º período de sesiones (Roma, 3-7 de septiembre de 2007) y del 120º período de sesiones del Comité de Finanzas (Roma, 8 y 9 de octubre de 2007) (CL 133/4; CL 133/11)**

## **CHAIRPERSON**

Item 6 is now concluded and we may move on to Item 7, Report of the 119<sup>th</sup> Session in Rome in September and the 120<sup>th</sup> Session in Rome of the Finance Committee CL 133/4 and CL 133/11.

Item 7.1. contains the Status of Contributions of Arrears and is CL133/LIM/1; Item 7.2 Adoption of Russian as a Language of FAO-Funding Modalities CL 133/6; Item 7.3 Other matters Arising out of the Reports.

The main documents for Item 7 are the Reports of the Finance Committee meetings held in September and October, as contained in documents CL 133/4 and CL 133/11.

There are three Sub-items under Item 7, and I have already mentioned these.

Document CL 133/LIM/1 has been prepared by the Secretariat to provide the Council with an update on this position as of 12 November 2007.

As of 12 November 2007, the Organization has received over US\$180 million and Euro 140 million in respect of 2007 assessments. This represents 65.83 percent of US\$ and 64.83 percent of Euro. Receipts of arrears of contributions have amounted to US\$22 million and Euro 6 million, which is substantially lower than at the same time last year.

It is regrettable that, as of 12 November, 46 Member Nations over 24 percent of the Membership of the Organization have not made any payment towards their 2007 US\$ assessment and 51 Member Nations have not made any payment towards the 2007 Euro assessment, in addition 47 Member Nations still have arrears outstanding from 2006 and previous years and 24 owe arrears in such amounts as would prejudice their rights to vote at a forthcoming session of the Conference in accordance with Article III.4 of the Constitution.

No decision is called for on this item at this time. It is customary, however, for the Council to emphasize the importance for all Member Nations, irrespective of size, to honour their financial obligations towards the Organization since only in this way, with proper financing, can the Organization continue to fulfil its mandate.

Council may wish to include a statement to this effect in its Report on this Item.

May I invite Mr Khawaja, Chairperson of the Finance Committee, to introduce the Report of the Committee. Mr Mehboob and other Members of the Secretariat may also make remarks.

### **Aamir Ashraf KHAWAJA (Chairperson, Finance Committee)**

I am pleased to be here with you today to present the Reports of the two Sessions of the Finance Committee that have taken place since your last session. These Reports are submitted to the Council and are CL 133/4 and CL 132/11. While the 119 Session dealt with FAO issues, the 120<sup>th</sup> Session was dedicated as a Special Session to deal exclusively with WFP matters.

Our Report on WFP matters has been submitted to the WFP Executive Board for its consideration. The Agenda of the 119<sup>th</sup> Session covered a wide range of budgetary financial and administrative matters concerning and affecting the overall situation of the Organization. In addition to its review of the financial position of the Organization, the Committee also considered questions of oversight and human resource management. The 119<sup>th</sup> Session included a Joint

Meeting with the Programme Committee. In this introduction, I would like to highlight those points not covered elsewhere in the Agenda of the Council that are of general interest to and which require action by the Council and as have already been introduced by the Chairperson.

First, the Status of Contributions of Arrears, at its 119<sup>th</sup> Session the Committee reviewed the unaudited results of operations and the financial status of the Organization as at 31 May 2007. The Committee also reviewed a working paper on the Status of Assessed Contributions as at 31 August 2007. The Committee was informed that due to delays and Members' contributions, the Organization had been obliged to resort to extensive borrowing estimated to reach US\$24 million by November 2007.

The Committee stressed that a total of US\$136 million and Euro 84 million was still owed to the Organization at this stage of the year. It noted with serious concern the magnitude of the accumulated General Fund deficit of US\$151.8 million, the repeated recourse to reserves and the continued requirement for external borrowing.

The Committee expressed further concern at the increase in the level of arrears of Members' contributions which stood at US\$63.7 million and Euro 18.3 million.

The Committee's detailed deliberations regarding the financial situation of the Organization are recorded in CL 133/4 paragraphs 15 to 24. Document CL 133/LIM/1 has been prepared to provide the Council with an update on the Status of Contributions and Arrears as at 12 November 2007.

Second, about the adoption of Russian as a language of FAO, the Committee acknowledged two alternative scenarios for funding the adoption of Russian as a language of the Organization; full implementation in the next biennium at a cost of US\$5.2 million or introduction in a phased manner at a cost of US\$1.7 million. The adoption of Russian as a Language of FAO and its phased implementation was supported in principle. However, the Committee underscored that in light of the current financial situation of the Organization, and so as not to affect the use of current FAO languages, such implementation should be financed by extra-budgetary contributions available in the next two biennium. This item is submitted to Council for discussion and comments. Details of the Finance Committee's discussion on this item may be found in CL 133/4, paragraphs 53 and 54.

Third, about Other Matters Arising out of the Reports, on the question of programme and budgetary transfers in the present biennium, in accordance with Financial Regulation 4.5(b) which requires transfers from one chapter to another to be approved by the Finance Committee, the Committee reviewed the document pertaining to programme and budgetary transfers in the 2006-2007 biennium. Regarding 2006-2007 Regular Programme performance, the Committee was informed that the performance continued to be mainly impacted by under-budgeted costs as previously reported. In particular, a significant forecasted unfavourable staff cost variance estimated at US\$19 million for the biennium, and redeployment costs for incumbents of abolished posts estimated at US\$11 million.

The Committee noted that 2006-2007 budgetary appropriation was foreseen to be fully spent with the exception of a surplus of approximately US\$1.5 million under Chapter 9, Security Expenditure. The Committee, recalling the endorsement by Council in November 2006, to maintain internal controls requested an amount of US\$500 000 of the expected surplus under Chapter 9 to be provided to the Finance Division to renew contracts under the local audit programme.

Taking into account this adjustment, the Committee authorized transfers from budgetary Chapters 2, 3, 4 and 9 in favour of Chapter 1 to a tune of US\$1.7 million, Chapter 5 to a tune of US\$3.3 million and Chapter 8 to a tune of US\$2 million. The Committee noted that the available portion of TCP currently estimated at US\$70 million would be carried over in accordance with Financial Regulation 4.3. The Committee recalled that two additional items for expenditures in 2006-2007 would exceed the amounts budgeted; that is, the terminal payments and current service costs of After-Service Medical Coverage. It noted that the Council, in its June 2007 Session, while appreciating the need to avoid further deterioration of the Organization's General Fund deficit,

concluded with the assessment of the Committee that the under-budgeted After-Service Medical Coverage current service costs should remain charged to the General Fund, noting that very few programme activities could be cut at this stage of the biennium without incurring even greater increased costs. The Committee requested that the Secretariat reappropriate any overall budgetary surplus, including that arising under Chapter 9 to cover, to the extent possible, the excess terminal payments in 2006-2007. In the absence of other viable options, the Committee noted that approximately US\$ 5.8 million of unfunded terminal payment liabilities would remain charged against the General Fund.

The Committee recalled that excess terminal payments had been charged to the General Fund in past biennia and stressed that any under-budgeted costs should only be charged to the General Fund as a last recourse. Details of the Committee's deliberations on this item are recorded in CL 133/4 paragraphs 6-14 and paragraphs 30-32.

About the Incentive Scheme to encourage prompt payment of contributions, the Committee recalled its earlier discussions in several past sessions concerning the efficacy and appropriateness of the Incentive Scheme in the face of rising levels of unpaid current assessments and arrears.

The Committee agreed to leave the discount rate at zero for 2008 contributions in line with its previous recommendations as endorsed by the Council.

About a Revised Calendar of FAO Governing Bodies and Other Main Sessions for 2007-2008, the Committee noted that better coordination was required on timing of the Finance Committee sessions that dealt exclusively with World Food Programme items. It recommended that the Council include the timing of such WFP sessions in the overall schedule of the Governing Bodies. This matter will be taken up under Item 12 of your Agenda. The Finance Committee's discussions may be found in document CL 133/4, paragraph 55.

In concluding, I would like to thank all the members of the Finance Committee for their outstanding and insightful contribution to the work of the Committee. This made sessions of the Finance Committee very productive and, in particular, I believe it was possible to address a number of important financial and budgetary issues facing the Organization.

On behalf of the members of the Committee, I would like also to extend our appreciation to the Secretariat for its assistance in our deliberations and our gratitude to the Member Nations of FAO for providing us with this opportunity to further the important work of the Organization.

I will be pleased to provide any further explanations you may wish to have regarding our reports.

**Ms Oksana DRAMARETSKA (Ukraine)**

I would like to seek your permission and the permission of the Members of the Council to pass the floor to the delegation of the Russian Federation

**Evgeny F. UTKIN (Observer for the Russian Federation) (Original language Russian)**

*All in Russian*

**CHAIRPERSON**

Sorry, I do not think that there is interpretation, so you can go on, but we cannot understand what you are saying. I am sorry.

**Evgeny F. UTKIN (Observer for the Russian Federation)**

I feel there is a need to repeat my intervention into the discussion of the issue concerning the Russian language introduction. The thing is, Members of the Council, as I understand those of you who support the decision of the Finance Committee for the exclusion of the financing of the Russian language out of the regular budget of the Organization does not seem an excellent idea bearing in mind that there is a need for translation from Russian into English as a minimum. Their knowledge and understanding of it is quite good and to my mind, those with the best knowledge of English are the Representatives of Japan and the United States of America.

Unfortunately, as I can see, not all Members of FAO understand Russian absolutely and well, and that is why we do not demand to exclude from the regular budget the financing of the translation from any other language into English and from English into any other UN language, because our specialists, as many others, have to understand other nations for the efficient work inside the Organization, for making input into the reforms for better work of the Organization. That is why we think there is a need to include, to revise the decision of the Finance Committee and to include in the regular budget, by a separate line, the amount for financing of the Russian language, in the amount of US\$1.7 million. It is not a great sum in reality, and it was agreed as a step of phasing the introduction of Russian into the work of FAO. As you remember, the first sum for the full introduction of Russian was calculated as US\$5.2 million. We agreed to reimburse other expenditures for the Russian language if there was such a need for this ourselves.

The first step in this direction should be made during this Conference; two Russian simultaneous interpreters are going to work during this session of the Conference. That is why it is quite reasonable, from our point of view, to revise this decision of the Finance Committee and include this not very big sum for the introduction of the Russian language in limited and restricted volume into the work of FAO for the biennium period – only US\$850 000 per year. If this is impossible to do for the Council, then we reserve the right to raise this matter during the Conference and to make a proposal for the ministers of your countries to consider this matter during the high-level segment of the Conference and to make the decision themselves.

**Abdel Aziz Mohamed HOSNI ABDEL AZIZ (Egypt)**

The Egyptian delegation would like to praise the Finance Committee for the document CL 133/4 and would like to pay tribute to its Chairperson also.

We welcome the Report on the whole, but looking into the document, the Egyptian delegation would like to voice concern and apprehension towards four issues within the Financial Highlights section of the Report.

Firstly, the extent of the accumulated General Fund deficit and this, as pointed out in paragraph 17 of the Report, is due to factors of unpaid contributions of Member Nations and liabilities of After-Service Medical Coverage.

Secondly, the continued necessity for external borrowing by the Organization.

Thirdly, the increase in the level of arrears of Member Nation contributions which stands at US\$63.7 million and in €18.3 million.

Fourthly, the decision to slow down or hold back the rate of TCP approvals that follows whenever there is a severe liquidity situation inside the Organization.

In order to restore the financial health of this Organization, these afore-mentioned concerns must be treated and dealt with in a more serious and careful manner.

**Ms Swantje HELBING, (Germany)**

Please allow me to give the floor to Portugal who will speak in the name of the European Union.

**Antonio DUARTE DE ALMEIDA PINHO (Observer for Portugal)**

I am speaking on behalf of the European Community and its 27 Member States. The candidate countries, Croatia and Turkey, associate themselves with this statement.

The EU Member States have considered with interest, the report from the Finance Committee, but we regret that the Committee has not been able to deliver more elaborate advice to the Council on the Programme of Work and Budget. The EU notes all the observations of the Finance Committee on the various issues and endorses most of the recommendations of the Committee as reported in document CL 133/4.

However, the EU agrees with the more phased-in approach of the Russian language, financed by the regular budget, in line with the approach that is proposed in the PWB. Nevertheless, at this occasion we would like to highlight a few pertinent issues.



We note with great concern the continued serious financial situation of the Organization. All reserves are depleted and the General Fund is in deficit. This situation is severely hampering the flexibility of the Organization and the ability to address their responsibilities, notably on emerging issues. We realize that several factors contribute to the increase in deficits.

The proven trend in the administrative costs is a matter of concern, as an important point to consider is the substantial amounts of unpaid contributions from the Member Nations as a result of late payments and arrears. The Conference will address this issue, or part of it. As the matter is of great concern for us, the EU is prepared, on the basis of recommendations from the Finance Committees and findings of the IEE, to consider how to deal with this important and difficult issue and identify further measures to encourage prompt payment of assessed contributions and minimizing outstanding arrears.

We also note that the charge for amortization of the After-Service Medical Coverage liability exceeded the budgeted amount of US\$14.2 million and that the underbudgeted sum of US\$18.2 million will be charged to the General Fund and thereby contribute to the increased deficit.

The EU recognizes that the proposed PWB 2008-2009 addresses this fundamental funding problem and the Members of the Organization have to face the liability. In the present situation the EU expresses concerns about the dynamics of these liabilities but will be prepared to support a better phased amortization scheme to cover the total liability for the After-Service Medical Coverage.

In the context of the deteriorating financial situation, the EU is concerned that the total spending of FAO during this biennium will exceed the initial agreed appropriation. The FAO Secretariat has made an effort to deal with a number of unforeseen and unbudgeted costs, but it has been impossible to recover unbudgeted expenditures on terminal payments from Regular Programme resources or from extra-budgetary contributions. Like the Finance Committee we note with regret that some US\$5.8 million will have to be charged against the General Fund and thereby further contribute to the overall deficit.

The EU will refrain from any further substantive comments apart from noting that EU Members of the World Food Programme Executive Board are equally appreciative of the work of FAO Finance Committee on the financial matters of WFP.

**Dato'Zulkifli BIN IDRIS (Malaysia)**

The Malaysian delegation reiterates our concern over the worsening financial situation of the Organization because of a large amount of unbudgeted costs, unfunded and unrecorded liabilities, pending increasing General Fund deficits, in particular to the liquidity shortage caused by delays in payments by Members in arrears.

Malaysia would like to urge all Member Nations, both large and small, to pay their contribution in full and on time to enable the Organization to continue to fulfil its mandate.

Malaysia noted that the Technical Cooperation Programme budget was protected by the Conference and my delegation requests that any proposed changes to the TCP or any high priority programmes should be referred to the Finance Committee immediately. The TCP is very crucial to many developing countries in the fight against hunger and poverty and rural development. In view of this reality, Malaysia opposes any cut of the TCP budget in the coming biennium as a solution to overcome the liquidity problems of FAO.

Malaysia recognizes that the Russian language is an official UN language and is used by 14 Member Nations. We would also like to commend FAO in reducing the costs of the implementation of the Russian language from US\$5.1 million to US\$1.7 million per biennium. However, so as not to jeopardize other Regular Programmes, Malaysia urges the FAO Secretariat to provide alternate financial resources for the implementation.

**Seiichi YOKOI (Japan)**

Japan appreciates the fact that the number of Member Nations in arrears decreased by the efforts of those countries which have paid their arrears. It is obviously important, as stated by Madame Chairperson, that the Member Nations have to pay their assessed contributions not only from the financial point of view but also from the viewpoint of ownership of the Member Nations. Japan would like to encourage those countries in arrears to make payment of their arrears or submit an instalment plan to solve this problem.

Regarding document CL 133/LIM/1, Japan would like to inform that it has finalized the procedure to make a payment of the remaining assessed contribution of this year of US\$17.5 million and Euro 17.5 million.

Regarding the overall financial situation, Japan would like to repeat the report by the Chair of the Finance Committee and reiterate the concern that as a result of the increased expenditure, the expenditure of this biennium will exceed the approved budget in the course of implementation of the programme postponed to 2009.

Finally, for the introduction of the Russian language, taking into consideration the extremely difficult financial situation of the Organization, reported by the Finance Committee, Japan believes that the entire resources needed for adoption of the Russian language should be provided by voluntary contributions.

**Ibrahim Bocar DAGA (Mali)**

Permettez-nous de vous féliciter puisque c'est la première fois que vous prenez la parole depuis que vous présidez nos travaux. Au nom de ma délégation, je voudrais d'abord féliciter le Président du Comité financier pour ce Rapport très bien élaboré, très précis, qui nous permet d'échanger les avis de façon sereine. Je suis heureux d'intervenir après mon ami du Japon et entendre dire que le Japon a payé toutes ses contributions. Ceci est réconfortant et constitue, je crois, un exemple pour les autres pays.

S'agissant de la situation financière de la FAO, je crois, Madame la Présidente, qu'il y a des raisons de s'inquiéter. Nous étions de ceux qui croyaient naïvement qu'en parlant ou en lançant l'Évaluation externe de la FAO le signal était donné que notre Organisation allait mal. Alors si ceci n'a pas été perçu comme tel pour améliorer le comportement des uns et des autres, ce n'est que dommage. Nous avons deux catégories de pays, ceux qui ont des difficultés peut-être à payer, mais je suis de ceux qui pensent que rien ne peut justifier que l'on fasse partie d'une organisation et que l'on ne paie pas son tribu. La deuxième catégorie est ceux qui ne peuvent objectivement, qui n'ont aucune raison sérieuse de ne pas payer. C'est à ceux-là donc qu'il faudrait lancer un appel solennel une fois de plus parce qu'il n'est pas admissible que l'on ait des moyens en réserve et que l'on soit obligé d'aller s'endetter. Cela ne fait pas responsable, moi en tant qu'État Membre de la FAO je ne suis pas fier de dire que je suis obligé d'aller emprunter alors que logiquement si chacun remplissait son rôle, j'aurais relativement assez d'argent, encore que le budget n'ait jamais été suffisant pour dire la vérité. J'en viens au PCT, on ne peut pas imaginer les démissions du PCT. Le PCT c'est tout le rôle de la FAO. Imaginez le rôle du PCT, il est indispensable de renforcer, de consolider, de conforter si vous voulez des financements parce que c'est celui qui permet à la FAO de remplir ses obligations: aider les pays à produire pour éliminer la faim ou tenter d'éliminer la faim donc je crois qu'il faudrait vraiment revoir toujours en hausse si c'est possible.

Madame la Présidente, je voudrais très brièvement revenir sur la langue russe. Tout à l'heure j'ai compris que nous étions déjà dans le russe parce que la délégation de la Russie avait déjà commencé à nous parler russe, alors je pensais que c'était déjà fait et après il est revenu à sa langue de travail habituelle. L'année dernière, vous vous souvenez qu'il parlait tellement bien l'anglais que l'on se demandait si c'était nécessaire de nous parler le russe mais enfin ce n'était pas pour le russe mais pour le pays. Effectivement nous disons qu'il n'y a rien de plus légitime pour la Délégation de la Russie que d'exiger que le russe soit parlé ici. C'est une langue du système des

Nations Unies et c'est une langue qui plus est importante d'un des pays les plus importants du monde mais seulement je ne sais pas quelle est l'évolution positive de la situation. Je viens de dire que la situation financière n'est pas encourageante pour effectivement commencer à dépenser encore de l'argent pour introduire une nouvelle langue, quelque soit son importance. Donc, je suis d'accord pour l'introduction progressive de cette langue mais je voudrais surtout que l'on pense à ce but qu'est la FAO, que l'on doit remettre sur pieds avec une meilleure santé financière et à ce moment là je crois vraiment que le russe sera le bienvenu et qui sait même d'autres langues pourraient venir, mais pour l'heure je crois que la situation financière de notre Organisation ne nous permet pas d'aller dans le sens de la satisfaction totale de la demande. Il faut le regretter effectivement.

#### **CHAIRPERSON**

Apologies for the bad sound on behalf of the interpretation. I think it has been solved.

We move on to the United States of America and Australia next.

#### **Lee A. BRUDVIG (United States of America)**

I would like to join Japan, the EU and quite a number of others in commending the Chairperson of the Finance Committee for first of all his very strong leadership and second of all for putting a very concise, very precise and very illuminating report on the table. I think he has captured a lot of the issues that concern the United States as well.

That being said, I am not going to make a lot of remarks because the Chairperson has already presented the points so well. I do want to touch on three areas.

The first is the continuing deterioration of the reserve situation of FAO. We, like others, are concerned about the charging of unforecast unbudgeted accounts to the General Fund, particularly, in a situation where the General Fund is already in deficit.

Second of all, I would like to briefly say a few things about the Russian language. The United States welcomes the Russian Federation's membership and participation in FAO. Unfortunately, given the current financial situation of the Organization, the United States cannot support the use of assessed contributions to add Russian as a language of FAO. The United States can support the use of voluntary contributions for Russian translation and interpretation.

Finally, on one issue that has not been raised, the Finance Committee in the last meeting, as a matter of other business, had a discussion about the change of policy to extend the term of the Auditor-General to a fixed six-year term. We agreed, in principle, to recommend this policy in the interest in finding a good balance between continuity and rotation. Given the recent selection of a new External Auditor, we believe now is an ideal time to move forward with that assessment to make the transition to a fixed six-year term for the Auditor-General.

#### **CHAIRPERSON**

Did you all hear the announcement to take away your mobile telephones from the microphones because that causes a lot of trouble for all of us?

#### **Ms Judy BARFIELD (Australia)**

Australia endorses the Finance Committee report and, in particular, we share the concerns about the serious financial situation facing the Organization.

In regard to the Russian language, Australia would not oppose the introduction of the language. However, the current adverse budget situation facing the Organization makes it difficult to see how Russian language services could be provided through the Regular Programme budget.

Consistent with paragraph 34 of the Finance Committee report, we would therefore support implementation of Russian language through voluntary contributions.

#### **Abdel Aziz Mohamed HOSNI ABDEL AZIZ (Egypt)**

I have two statements to make.

The Egyptian delegation would like to commend the document CL 133/6 concerning adoption of the Russian language as a language of FAO, with regards to funding modalities. Taking into account the financial difficulties encountered by the Organization at present, Egypt has always supported the introduction of the Russian language but would favour and support the gradual introduction of the Russian language as defined in the phased introduction of the Russian language in the document.

We would also encourage the Russian-speaking countries to assist in financing the implementation and the introduction of the Russian language into the Organization. This would follow suit, more-or-less, how Arabic was introduced as an FAO language. There were a lot of Arab Members that joined in funding the introduction of the Arabic language into the Organization.

Concerning my second statement, Egypt – speaking on behalf of the Near East Group – would like to approve and endorse the establishment of the Sub-regional Office for the Gulf Cooperation Council Countries and Yemen, which is going to be located in the United Arab Emirates in 2008.

### **CHAIRPERSON**

I have on my list, Gabon, Côte d'Ivoire, Cuba, Ukraine, Brazil, Cameroon, Eritrea and Oman. This is the list of speakers on the subject.

#### **Faustin BOUKOUBI (Gabon)**

Je voudrais à mon tour exprimer notre préoccupation par rapport à la situation financière persistante. Nous pensons, sur cet aspect, qu'il est nécessaire d'être imaginatifs dans la mobilisation des ressources. Le Gabon, pour sa part, a payé ses arriérés et se trouve donc à l'aise sur cette question mais non seulement nous les avons payés mais nous sommes aussi un peu en avance sur nos contributions. Il est évident que le moins que nous puissions souhaiter c'est que chacun puisse faire un effort dans le même sens.

En ce qui concerne le PCT, nous pensons qu'il ne devrait pas être ou qu'il ne devrait plus être un solde des opérations à traiter lorsque les autres dépenses sont couvertes. Il doit être plutôt une stratégie plus dynamique. Nous déplorons tous, les effets visibles et prévisibles des changements climatiques, mais sachant que l'une des mesures de prévention de ces changements climatiques porte sur le financement de l'agriculture notamment la sédentarisation et l'amélioration des techniques culturelles en zone de forêts. Pour sa part le Gabon, non seulement s'investit dans ce domaine et a tendance à solliciter le PCT sans beaucoup de chances pour le moment mais nous avons aussi dégagé onze pour cent de nos forêts que nous laissons à la disposition de la communauté internationale et surtout, nous sommes en train de travailler sur les programmes qui suppriment la culture sur brûlis et qui permettent d'améliorer les rendements de l'agriculture à partir de la sédentarisation d'une meilleure formation tout en restant dans le naturel en restant bio. Nous pensons que tous ces efforts méritent d'être soutenus et que de ce fait on ne peut se permettre de réduire les programmes qui iraient dans ce sens.

Nous espérons donc que la communauté internationale se rendra de plus en plus imaginative pour résoudre le problème de la situation financière de l'Organisation, qui se dégrade progressivement.

#### **Aboubakar BAKAYOKO (Côte d'Ivoire)**

Ma délégation vous adresse toutes ses félicitations pour votre nomination en qualité de Vice-Présidente et pour la manière avec laquelle vous conduisez nos travaux. Elle voudrait également, à ce stade, féliciter surtout le Président du Comité financier pour la très bonne présentation du Rapport de la cent dix-neuvième et de la cent vingtième session du Comité financier.

Comme l'a dit Monsieur le Président du Comité financier, nos félicitations s'adressent également au Secrétariat pour toutes les informations qui ont été mises à la disposition du Comité et qui ont facilité, durant ces deux sessions, le déroulement de nos travaux. Comme vous le savez, le mandat du Comité financier est clair mais les sujets à traiter relèvent souvent d'une certaine délicatesse où les intérêts des membres, du Comité financier et l'intérêt général de l'Organisation se côtoient.

Je voudrais également dire que j'appuie la déclaration de son Excellence, Monsieur l'Ambassadeur du Mali, qui a exprimé le point de vue que je devais vous présenter et je voudrais rappeler que mon pays a saisi cette occasion pour payer la majorité de ses impayés malgré la situation difficile que notre pays traverse en ces temps çï. Je voudrais donc encourager le Secrétariat à continuer la méthodologie qu'elle a utilisée ou que les ressources soient mobilisées au niveau de notre pays pour les paiement des contributions car souvent des ressources existent mais les lenteurs administratives font que souvent les contributions sont payees avec quelque retard

**Enrique MORET ECHEVERRÍA (Cuba)**

En primer lugar deseo felicitar al Presidente del Comité de Finanzas por la presentación del informe que nos ha dado el día de hoy que creemos que sea muy importante, muy valioso. La delegación cubana considera fundamentadas las preocupaciones existentes en cuanto al estado en el pago de las cuotas y la existencia de atrasos en que dificulta la situación financiera de la FAO. Según las informaciones brindadas por la Secretaría, una cantidad de Estados Miembros de algunos países desarrollados poseen atrasos importantes, sin embargo es importante reconocer que la inmensa mayoría del monto de dichos adeudos proviene de los atrasos de los países industrializados que se encuentran en mejores condiciones para asumir el pago de sus cuotas en tiempo y forma. A pesar de los esfuerzos que muchos de los países en desarrollo nos encontramos realizando para ponernos al día en el pago de nuestras cuotas, no podemos dejar de reconocer en las condiciones actuales de la comunidad internacional caracterizadas por el aumento de los precios del petróleo, además del crecimiento de los precios de muchos elementos, en gran parte como consecuencia del aumento de la demanda de éstos para producir biocombustibles y les impone limitaciones considerables para poder cumplir en forma y en tiempo con el pago de sus correspondientes cuotas.

Es importante que en el marco de las acciones para fortalecer la FAO todos los Estados Miembros continuemos realizando esfuerzos para cumplir con el pago de nuestras cuotas. Sin embargo, también es importante hacer un llamado a la voluntad política de aquellos países industrializados con mayores posibilidades de cubrir sus adeudos a que lo hagan también en forma y en tiempo. Una acción de este tipo contribuiría en medida importante a mejorar la situación financiera de la Organización.

Por otra parte, el país desea reiterar el apoyo a la introducción del idioma ruso como idioma de la FAO. En este sentido, la introducción escalonada y gradual del idioma ruso, buscando sus modalidades de financiación acordes a la situación financiera en estos momentos de la FAO, pienso que puede ser una alternativa a seguir en el futuro.

**Ms Oksana DRAMARETSKA (Ukraine)**

Thank you Madam Chair, for giving me the floor for the second time. First of all I would like to express the support of my delegation to the statement delivered by the Portugal on behalf of the EU, with regard to the report of the last Session of the Finance Committee. We also support the statement delivered by the delegation of the Russian Federation. We commend the Secretariat for document CL 133/6 which contains two options for implementation of the Russian language as a language of the Organization. While confirming the need for full adoption of the Russian in FAO, we support phased introduction of the Russian language services in the light of the current financial difficulties of the Organization.

We agree to the proposed level of budgetary allocations, provided by the PWB for the next biennium, for approximately US\$ 1.7 million. The Ukraine shares the view that towards the end of the next biennium, the requirements in the Russian language services should be reviewed and any subsequent changes that might be needed should be submitted to the relevant bodies for appropriate decisions.

**CHAIRPERSON**

Thank you very much Ukraine. I would like to give the floor to the Ambassador of Brazil.

**José Antônio MARCONDES DE CARVALHO (Brazil)**

I would also like to add my delegation to those who have expressed gratitude to the Chairperson of Finance Committee for the very clear presentation of the report and all the work and leadership. I would like to touch upon the financial situation and in relation to this financial situation, there is indeed reason for collective concern. I would like to take the opportunity to thank the Ambassador of Mali for putting very clearly the two categories of countries in relation to their contributions and I have written down his advice. There are those that can but do not want to pay their dues in a timely fashion and there are those who want to pay, but are not in a condition to do so. In examining document CL 133/LIM/1, it is very clear to see which category of countries is putting the Organization in this very difficult current situation.

I would also like to touch upon the issue of the TCPs, but before I do so, I would like to first remind what has been said repeatedly by the Finance Committee. The only answer to the financial situation is the payment by all Members, all Members, of their payments, the payments of their contributions in full and on time.

Regarding the level of TCPs approved in the regular budget, my delegation cannot agree that curtailing the implementation of these programmes or delaying them should be the way for the Organization to offset the cash shortage because of late payments. This is a situation that needs to be completely reverted and allow the Organization to look for other means of trying to offset this cash shortage situation.

**CHAIRPERSON**

Thank you very much Brazil. I would like to request to keep your interventions as short as possible. Cameroon and then Eritrea and then Oman.

**Moungui MEDI (Cameroun)**

La délégation du Cameroun accueille favorablement le rapport de la cent-dix-neuvième et la cent-vingtième session du Comité financier. Permettez-moi de féliciter le Comité pour le travail accompli pendant les deux sessions. Je voudrais également saluer mon cher frère et ami le Président de ce Comité pour la présentation du début sur l'économie qu'il a faite sur les déviations qui ont eu lieu lors des deux sessions que j'ai mentionnées un peu plus tôt.

Permettez-moi de ne pas beaucoup insister cette fois-ci sur le PTB 2008-2009 car je sais que l'on va y revenir dans un autre point de l'Ordre du jour mais je voudrais simplement dire à ce propos que nous partageons entièrement le soutien qui est exprimé par le Comité pour le travail de l'Organisation. Je crois que l'on ne peut mieux faire pour le moment.

Concernant les faits marquants sur les contributions courantes et les arriérés, je voudrais faire ici référence à trois faits, trois éléments qui ont attiré notre attention: d'abord l'érosion des réserves de l'Organisation ensuite les retards des contributions de certains Membres et le ralentissement des dépenses du PCT. Pour les deux premiers, il va sans dire et vous le comprenez avec nous, que nous soutiendrons toute action vigoureuse tendant à refaire la santé financière de l'Organisation, y compris les propositions de sanctions négatives et positives que les Membres seront amenés à prendre. Quant au troisième point, c'est-à-dire celui du PCT, nous allons œuvrer de toutes nos forces et vous pouvez compter sur nous, sur le Cameroun, pour que les PCT soient protégés de toute coupe budgétaire. Nous allons agir que ce soit au niveau de la gestion de l'Organisation ou au niveau des Membres pour que cela soit fait ainsi et nous utiliserons tous les moyens à notre disposition pour ce faire.

S'agissant de l'adoption du russe comme langue de l'Organisation, notre position est sans ambage et c'est également cette position que nous avons présentée en juin; le russe doit être utilisé dans l'Organisation et traité au même titre que toutes les autres langues déjà en usage; c'est un droit légitime. C'est vrai que nous demandons un peu plus d'étude et de précaution là-dessus mais c'est un droit légitime. Avec ces commentaires, permettez-nous de dire combien nous soutenons ces rapports qui nous ont été présentés mais surtout, nous accueillons favorablement la ligne 1 qui est

un vrai miroir de ce que nous avons tous présenté en tant que contribution. Je voudrais que tout le monde regarde devant le nom Cameroun et vous verrez ce qu'il y a devant : tout est prêt et cela veut dire que nous sommes au point et jusqu'en 2011 probablement.

### **CHAIRPERSON**

Thank you very much Cameroon. I would like to mention how many countries are on my list: Eritrea, Oman, India, Ethiopia, Canada, El Salvador. Can I close the list? With these delegations and Armenia, but then observers on the list, Armenia, Burundi and Kuwait, Belarus. Thailand should be inserted into the first list. So that closes the list because then I think the Chairperson of the Finance Committee will respond and maybe also Mr Mehboob, and then we can look whether we can approve the report. Eritrea.

### **Yohannes TENSUE (Eritrea)**

I would like to express at the beginning, my appreciation for the excellent presentation by the Chairperson of the Finance Committee. The Finance Committee presentation is about crisis, so that we get a picture in what crisis the Organization exists. The continuous borrowing of the Organization and concern of the General Fund deficit of US\$ 151 million, arrears of about US\$ 63 million and 18.3 million in Euro means that there is no way out except to support the borrowing the Organization is undertaking. So we support the Organization continuing to borrow, until all solutions are found.

There is a great concern about the use and plan. The slow progress in approval of any plan of TCP is systematically done as a means to the solution of the crisis of the Fund. To use that reserve for borrowing is not a welcome option. The TCP should be used for its purpose. It should not be used for the transfer of other funds and approval and use of TCP should be encouraged, but not for any transfer of the funds of the TCP to cover the crisis.

Madam Chair, in the history of the Organization, arrears are not a new issue. It has been going on for several years and many attempts have been made to encourage countries to make timely payment of their assessed contributions. All Member Nations have their assessed contributions. So developing and developed countries are responsible for all this crisis, whether developing or developed. I will not indulge why the developed countries cannot pay their payments when they are able to but I may put some concern why developing countries are not paying when the contributions they pay are peanuts and the Organization serves those countries who are not paying with a lot of arrears. I am asking the developing countries to approve the TCP. There should not be any approval of TCP to developing countries if they do not pay their peanuts on time and they are receiving millions in works of TCP programmes in their countries. If a country does not pay and is receiving TCP programmes, then this sort of thing should be taken into consideration. Another thing which I welcome is a policy issue of the Organization regarding accounting standards.

The After-Service Medical Service, I was a member of the Pension Committee and have been raising it and I keep raising this issue. In 2003, there were US\$ 6 billion reserves of the Pension Fund for investment. One of the largest contributors to this is FAO, while it should pay the least. This is unacceptable. I have been raising it and I will continue to do so. A new policy should be introduced, and I am very grateful for the Independent External Evaluation to note that the Organization needs an Independent External Evaluation. How much it should pay on the After-Service Medical Service contribution to this Fund. The Pension Fund welcomes it because it is increasing its reserve for investment, which has reached almost now US\$ 80 billion, and this is a lot, if FAO pays it. I don't think that the amount which FAO is supposed to pay is to the standard, and an Independent External Evaluation should assess how much FAO should pay. While it must be the most environmentally-conducive for employees, but found to be the highest contributor due to your stress or illnesses, but not only that, the policy of payments, accounting standards that they have established and are paying unnecessarily. So this needs attention. The Russian language is welcome and should be treated equally like all the other languages. It should

not be used as a leverage, or conditionality should not be created to pay for all the crisis. Russian is not responsible for all the crisis.

The crisis' solution should be found, but Russian should be treated equally like all the other UN languages and conditionality should not be given with the crisis of the Organization as it is of its own making.

**Saoud AL BADDIAIE (Oman)**

Allow me first of all to thank you for your wise chairpersonship of this Session. I would also like to thank the Chairperson of the Finance Committee for an excellent presentation of the two Reports stemming from the Finance Committee. My delegation feels some concern when faced with the worsening financial situation of the Organization. We are also surprised to see that a large number of countries still have sizeable arrears and are not paying their contributions and, may I seize this opportunity to say that we must take practical measures to urge these countries with arrears to be forthcoming with their payments as soon as possible, as this would allow the Organization to come out of this crisis and to be able to accomplish the tasks that is central to its mandate. This is an Organization that developed countries and a large number of developing countries depend on.

As far as the Sub-regional Office in the United Arab Emirates is concerned, we would like to support this request and we would like to see this become operational as of 2008.

**Rajiv DOGRA (India)**

The Indian delegation joins those in commending the work done by the Finance Committee, especially the work done by the Chair in putting together the Report, a difficult task in my view. More specifically, on the issue of the Russian language, India speaks on behalf of G77 and China in support of its introduction in FAO. The Russian language is used by several countries, the G77 and China group agree that anything that assists effective communication is of value to the Organization and its Members and that acceptable solutions that facilitate the introduction of Russian language should be found.

**Abreha Gebray ASEFFA (Ethiopia)**

We join others in expressing our appreciation to the Chairperson of the Finance Committee and membership for this clear and concise Report. We are also concerned about the financial situation of the Organization and in particular we would like to urge the Membership to pay their arrears, so that the Organization could carry out its tasks entrusted by the Membership.

As far as the introduction of the Russian language is concerned, we support the introduction of the Russian language and we support the view expressed by India on behalf of G77.

**Ms Bojana HOCEVAR (Slovenia)**

Please allow me to give the floor to Portugal which is going to speak in the name of the European Union. It is the second time we have asked for the floor.

**Sra. María Eulalia JIMÉNEZ DE MOCHI ONORI (El Salvador)**

La delegación desea unir su voz a la de aquellos que han evidenciado las dificultades que atraviesa la FAO por la precaria situación económica que enfrenta. Al igual que otros países en desarrollo que han intervenido anteriormente, mi país ha realizado importantes esfuerzos para cumplir con sus obligaciones hacia la Organización, y hoy podemos informar a este Consejo que nos encontramos al día con nuestras cuotas. Estamos muy conscientes de las dificultades económicas que atraviesan nuestros países, en particular los países en desarrollo, para poder pagar nuestras cuotas. Así mismo, estamos conscientes de que las razones para estar atrasados pueden ser muy diferentes, el Embajador de Malí nos indico muy claramente estas diferencias. Sin embargo, hemos pedido la palabra para hacer un fuerte llamado a todos los países para que hagamos ulteriores esfuerzos a efectos de cumplir con nuestras obligaciones hacia esta



Organización y de esta manera poder darle los instrumentos necesarios para que pueda realmente cumplir con su cometido.

**Kent VACHON (Canada)**

You can count on Canada's full support including with your request to be brief. We join in commending the Report of the Finance Committee and fully endorse the call of the Committee's Chairperson on all of us to pay our contributions in full and on time. We merely like to add to his call that it is particularly important that all share the burden equitably when Member Nations are being asked to consider a large rise in the budget.

On the subject of Russian, Canada joins in welcoming the addition of what is after all, a United Nations language. The only issue is the modalities and the speed of introduction and here Canada feels that the example of the introduction of Arabic is particularly pertinent. It saw progressive introduction financed largely by extra-budgetary contributions in the early stages, and would hope that a similar example can be followed this time as well.

**Pinit KORSIEPORN (Thailand)**

Thailand welcomes the Report of the Finance Committee and we would like to thank the Chairperson of the Finance Committee, together with other Members. We fully understand the financial difficulties faced by FAO and we join others to urge Member Nations to pay their contributions on time and in full.

Thailand highly values the benefit of TCP to developing countries. We therefore, support the budget allocation for TCP not less than previous biennium.

With regard to the adoption of Russian as a language of FAO, Thailand recognizes that the Russian language is important to FAO. Thailand shares the view that the Russian language be financed by extra-budgetary contributions. However, in the future all official languages should be treated equally.

Thailand recognizes the laws of the Regional Animal production and Health Commission of Asia and the Pacific Region. We hope that the Finance Committee will continue to support the Commission's role.

**Andrei LOZOVIK, (Observer for Belarus)**

The Republic of Belarus states reserves for conferring in the shortest period of time to the Russian language an official status, although it is the last among the six official UN languages that is lacking for FAO. FAO, that is pretending to play the role of a full-fledged global forum on agricultural and food problems will not be able for certain to go without Russian. The Russian language is the fourth among the most extended wealth languages, it is native to one hundred and seventy million people and three hundred and fifty million can comprehend it. An introduction of the Russian language into FAO system will make it possible for the whole Russian-speaking region of Eastern Europe, Caucasus and Central Asia to fully integrate into FAO. Lame technical or financial excuses seem to be artificial and unconvincing, taking into account mentioned background. We share the principles of multilingualism and the very position of principle which is stated in all UN structures and organizations, from which FAO cannot be excluded, is that the Russian language has to be financed under a separate line of the regular budget.

**Zohrab MALEK (Observer for Armenia)**

I will be very very short. Number one, the Republic of Armenia supports all those speakers who reiterated that all Members should pay their dues on time and in full. Number two, the Republic of Armenia mentioned in the last Council in a very short statement the rationale why we support the Russian language as an official language of FAO. We also support this time, without reiterating what I said last time that the Russian Federation's proposal to use a regular budget as a means for providing support to this issue, is also supported by the Republic of Armenia.

**Jean de Dieu MUTABAZI (Observer for Burundi)**

Je vous remercie Madame la Présidente pour la parole que vous m'accordez et je voudrais aussi vous féliciter pour la manière dont vous conduisez les débats. Deuxièmement, mes remerciements vont également au Président du Comité financier pour la qualité du document qu'il nous a présenté et surtout pour avoir inscrit à temps le montant des arriérés payés par le Burundi soit près de 40 pour cent du montant total des arriérés.

Enfin je voudrais aussi féliciter les pays qui s'acquittent régulièrement de leurs cotisations. C'est grâce à eux que la FAO fonctionne. Pour ce qui est du Burundi, un pays pauvre, qui est en train de sortir progressivement de la guerre et qui vient de connaître une famine à cause des inondations et de la sécheresse et qui ont détruit l'essentiel de ses récoltes, le dernier paiement de près de 40 pour cent de ses arriérés est une preuve de bonne volonté car le Burundi a également donné son plan de paiement du reste des arriérés. Pour les pays développés qui ne donnent pas leurs contributions, il faudrait que chaque pays donne ses propres raisons. Jusqu'à maintenant on entend que vous globalisez mais on ne sait pas si ce sont les mêmes raisons qui poussent les pays développés à ne pas s'acquitter de leurs arriérés.

Enfin pour l'utilisation de la langue russe comme langue utilisée à la FAO, nous sommes d'accord sur le principe mais les modalités pratiques doivent tenir compte des implications financières de son introduction.

**Ms Lamya Ahmed AL-SAQQAF (Observer for Kuwait)**

I would like to congratulate you on chairing the Session and congratulate the Chair of the Finance Committee for his excellent work. G77 and China place great importance on the TCP. It is the principle of FAO demonstrating its effectiveness at country level. The G77 and China would like to see an increased level of TCP, if anything. As for arrears the G77 and China are committed and working together to address this issue.

India spoke on behalf of G77 and China, and we support the introduction of the Russian language into FAO. The Russian language is used by several countries and we agree that anything that assists effective communication is of value to the Organization and its Members.

**Ms Mary Margaret MUCHADA (Observer for Zimbabwe)**

I wish to congratulate you for having steered this meeting this afternoon. Allow me to commend the Chair of the Finance Committee for the Report he has given, which clearly articulated what transpired in that Committee. As an outgoing member, I have this to say for him. He steered that Committee with ease and he was always there to respond to the needs of the Organization and urging us all to try and do the same. I wish to contribute on two or three items. The issue of arrears, I do believe as everyone has spoken, we should all pay our dues. We have set up this Organization, we are all drawing benefits from it and indeed we should pay our dues. In my region, we are making all efforts to try and address the situation but we feel that we should not unduly punish those who cannot meet their obligations for one reason or another. We strongly urge all those other partners, who can, to pay their dues in a timely manner. My delegation believes that we should come up with measures that encourage all Members to play their part and timely too. On the issue of overcoming the liquidity crunch, we urge Members to ensure that there are adequate resources and that the financial reserves of this Organization have been restored. Therefore, in this Council and Conference, we should take deliberate steps to ensure that this aspect has been addressed.

As regards the issue of the Russian language, we support the G77 position that has been clearly articulated by India and Kuwait. We believe that Russian should gain its rightful place as a UN language.

**Antonio DUARTE DE ALBEIDA PINHO (Observer for Portugal)**

This is a specific statement on Point 2 of Agenda Item 7.

I am speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, Croatia and Turkey, associate themselves with this statement. The European Union welcomes the adoption of the Russian language gradually, as proposed in the Programme of Work and Budget 2008-2009 and endorses the Draft Resolution that is presented to us. We think that taking into account the legal and financial aspects of the request made by the Russian authorities and the work and advice given by the Committee on Constitutional and Legal Matters, the Finance Committee and the Council, this approach can contribute to establishing an adequate balance between the rights and needs of the Membership involved and the present weaknesses of the financial situation of this Organization.

#### **CHAIRPERSON**

Thank you very much, Portugal and that concludes the list of speakers. We have had a long list and long interventions as such, so I would like to ask the Chairperson of the Finance Committee to respond on most important issues but before I give him the floor, I would like ask Mr Mehboob not to start first but to prepare himself already for taking up the leftovers after the presentation by Mr Khawaja.

#### **Aamir Ashraf KHAWAJA (Chairperson, Finance Committee)**

My gratitude to the Council for some very high quality inputs into the work of the Finance Committee and particularly to the contents of the Report that we presented. Now I understand that the theme that has overwhelmingly come out of the remarks of the Council is the adverse financial health of the Organization. The adverse financial health of the Organization is a multi-faceted issue. It has a number of elements within it which need to be recognized, and these elements have been recognized by the Council. One set of issues relate to the whole question of arrears, of late payment, of assessed contributions, and which then give rise to external borrowing by the Organization. All these issues are essentially related to the liquidity crunch that the Organization faces, year after year.

On the other hand, there are issues like increases and unbudgeted costs during an ongoing biennium, and the impact that this can have on the programmes of the Organization which have to face cuts inevitably in order to face any increases and unbudgeted costs. Unless suitable areas of programmes can be found, the cuts can be made, then we have to face the situation of a deficit in the General Fund. All these issues have been articulated by the Council Members and I guess this is also a discussion that will be carried forward when we go to our next item which is the Programme of Work and Budget.

Another aspect that came out consistently from Council remarks was the importance of the Technical Cooperation Programme of FAO. The fact that it is slowing down during the present biennium has resulted in a lot of potential not coming to fruition and as I had indicated in my report, about 70 percent of the resources of the TCP from the present biennium will have to be carried over to the next biennium in accordance with the relevant rules, because of the slowing down of the TCP in this biennium. This is something, however, that the Finance Committee had also reported to the Council during its previous session in greater detail.

On the question of the Russian language, I have seen a desire of the Committee and a very large segment in the Council which endorses and finds that there is a certain need for introduction of Russian as this is an international language recognized UN language. I guess that this is also a discussion that will be carried over to our discussion in the next Item, which will be Programme of Work and Budget.

To sum up, I would like to thank those Council Members who have expressed their appreciation for the work of the outgoing Finance Committee, and I am very pleased to accept this appreciation on behalf of the Finance Committee. All that I can add is that all the achievements of the Finance Committee are because of the outstanding members we had in the Finance Committee, and all its failures are because of me.

**Khalid MEHBOOB (Assistant Director General a.i., Human, Financial and Physical Resources)**

I believe that there are no questions outstanding which need to be answered. I should however, like to make a brief comment on the debate of Members on the financial situation of the Organization. In fact, we in the Secretariat are encouraged by the comments made by Members, especially their unanimous call for the payment of contributions on time, because one of the major contributors to the weak financial situation of the Organization is either the late payment or the non-payment of contributions. We in the Secretariat have consistently drawn attention to this issue, and that is why the Finance Committee has always commented on it. We have comprehensive procedures for follow-up and we do so. It is almost relentless follow-up, but the result is as you see in the documents before you.

Another aspect which I should like to refer to is the cognisance of Members about the depletion of our reserves and, in fact, this is just as serious as the financial deficit which Members have been referring to.

The Working Capital Fund is called a reserve, but it is less than one month's expenditure. The level is US\$25 million and is less than one month's expenditure and it is supposed to be a safety net for the Organization. It is no safety net. It was established many years ago, and it needs revision. The second reserve is the Special Reserve Account which also is almost empty, and so I am glad that the Members are unanimous in referring to the financial situation and making a call to all countries to pay on time.

**CHAIRPERSON**

I think we can come to the conclusion that the Council endorses the Report of the Finance Committee and that means that we also conclude Item 7.

*It was so decided*

*Il en est ainsi décidé*

*Así se acuerda*

I would like to thank the Chairperson of the Finance Committee and the members of the Committee for their good work and also the Secretariat for their response on the fruitful discussion.

**8. Measures to improve the Organization's Cash Shortage Situation (CL 133/LIM/2)**

**8. Mesures destinées à améliorer la situation de trésorerie de l'Organisation (CL 133/LIM/2)**

**8. Medidas para aliviar las dificultades de la Organización en cuanto a disponibilidad de liquidez (CL 133/LIM/2)**

**CHAIRPERSON**

I would like to suggest to move on to Item 8, Measures to Improve the Organization's Cash Shortage Situation and a lot has been said about it already. Please ensure that you have document CL 133/2. You will recall at our last session that we agreed a regular programme liquidity situation of the Organization was critical and could only be improved through timely payment of assessed contributions by all Member Nations. We also agreed in principle to propose to the Conference the introduction of three measures recommended by the Finance Committee as contained in paragraphs 54 to 57 of the Report of its 118<sup>th</sup> Session, on the understanding that their final language be discussed and refined during this Hundred and Thirty-third Session of the Council for transmittal and decision by the Conference.

I should like to ask Mr Mehboob and Mr Nelson to introduce very briefly this Item.

**Nicholas NELSON (Director, Finance Division)**

I really do not have very much to add to your opening remarks; the three issues are before the Council Members in the document CL 133/LIM/1.

**Seiichi YOKOI (Japan)**

Japan also recalls that at the last session of the Council in June this year, the Council in principle approved the draft resolution presented by the Finance Committee and also the Independent Chair of the Council instructed to work out the text.

Japan made an original proposal to the Finance Committee, and has worked with interested countries cordially and constructively. However, Japan regrets to report to you that the text is yet to be finalized. While I believe it is very close to finalization, Japan seeks for the permission and the decision of the Chair to postpone the discussion of this agenda item until the coordination has been completed.

Japan thanks those countries which supported and support the proposal by the Finance Committee and those which participated in the coordination efforts.

**CHAIRPERSON**

Germany has asked for the floor, and then Brazil.

**Ms Swantje HELBING (Germany)**

Please allow me to give the floor to Portugal again who will speak on behalf of the European Union.

**Antonio DUARTE DE ALBEIDA PINHO (Observer for Portugal)**

Portugal is speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, Croatia and Turkey, associate themselves with this statement.

Considering the critical liquidity situation of the Organization, and the urgent need to tackle this matter through timely payment of assessed contributions by the Member Nations, we welcome the proposals of the Finance Committee which are generally in line with the EU positions that we hereby reiterate.

The EU and the Membership in general are concerned with the issues of late and repeatedly too late payments in agreed assessments. As you know, the EU position is that the reform process, following the recommendations of the IEE Final Report, should lead to a reliable and sound system that ensures that FAO will receive its assessed contributions in a timely fashion. The current situation is undesirable and the financial implications and extra costs to the Organization could be charged to the Members involved, and not to the Membership as a whole.

In what concerns the arrears issue, most of them related to developing countries, we agree with the proposal of having instalment plans to be reviewed and subsequently approved by the Conference since this will allow all those countries facing difficulties but willing to fulfil their obligations to do so within an appropriate timeframe. We also agree with the possibility, foreseen in the draft resolution, subject to certain conditions including covering the currency devaluation risks for some countries with limited availability of convertible currencies, and allowing Members to pay in their own currencies. The payments received by FAO in not-freely-convertible currencies should be used to pay local staff and finance parts of FAO activities in those countries as in most of the cases, the expenditures of FAO in the economies are larger than their national assessments.

We strongly believe that this could solve an outstanding problem in the best interest of all parts involved.

**Jose Antonio MARCONDES DE CARVALHO (Brazil)**

The proposals that we have before us, we have had since the last Council in which there were extensive discussions with interested delegations on the matter.

My delegation has since then pointed out that the solutions that are foreseen in these draft resolutions are partial, inequitable and intend to only address the issue of a larger number of countries, but the small that have a small part of their share in terms of the liquidity situation. My delegation, at this time, is not in a position to agree with such a text for the reason that it is unbalanced and does not really address the situation. Being partial, it only punishes, as the Ambassador of Zimbabwe has mentioned. The situation punishes developing countries and does not address or does not have any wording or teeth to allow developed countries to pay more promptly and, in a more timely fashion, their assessed contributions. For that matter, my delegation wishes to work with those delegations interested on this issue. We have been working since last Council but we have not been able yet, as Japan has said, to have an agreed text. I am confident, however, that we can come to a final wording on this.

**CHAIRPERSON**

May I ask the delegation of Brazil, you are referring to what draft resolution as there are two on the table and I expected amendments if you want to change something in these resolutions. We are not going to conclude on these resolutions. We only will conclude that we will send these draft resolutions to the Conference, of course. But any amendments and if so, on which of the two resolutions, so that we can already send one of the two resolutions further, and if you need some time for deliberations on one of the two, please mention it so that we take it up later on, but not on the two of them as we have too much work.

**Jose Antonio MARCONDES DE CARVALHO (Brazil)**

My delegation has no problem with the draft resolution regarding the use of non-convertible currencies. What my delegation cannot be in favour of at this point in time is, if I have the right document here, CL 133/LIM/2, on the voting rights and this is what my delegation has a problem with.

**Seiichi YOKOI (Japan)**

The two draft resolutions contain three items, and the first and second items are closely related, so interested countries need to work on both the draft resolutions.

**CHAIRPERSON**

How much time do you need do you think you shall need to solve this problem? Brazil.

**Jose Antonio MARCONDES DE CARVALHO (Brazil)**

I am willing to start working as soon as we conclude these deliberations, but there is still a large number of countries interested. I not sure that we can foresee concluding these negotiations in a few minutes. We know when Council finishes, so I think prior to that we hope to be in a position to have an agreed text.

**CHAIRPERSON**

Is that fine with Japan as well? I would like to propose to take this Agenda Item back, and we will put it on the Agenda when there is a solution amongst the different groups, and hopefully we can proceed then.

Now there is another item on the Agenda, the Programme of Work and Budget, we can make a quick start with that. Is Mr Mehboob is ready or is Mr Juneja? Thank you very much, Mr Mehboob, for your presentation, and Mr Nelson as well for your presence.

Maybe we could ask Mr Juneja to start with the presentation of this important Report, the Programme of Work and Budget, and then we can find how far we can come already today in

order to save some time for tomorrow, because there is also another issue on the Agenda, as we all know.

**4. Programme of Work and Budget (PWB) 2008-2009(C 2007/3)**

**4. Programme de travail et budget (PTB) 2008-2009 (C 2007/3)**

**4. Programa de Trabajo y Presupuesto (PTP) 2008-2009 (C 2007/3)**

**Manoj JUNEJA, (Director, Office of Programme, Budget and Evaluation)**

In considering the Summary of the Programme of Work and Budget 2008-2009 at its June 2007 session, the Council sought more clarification on some issues and provided specific guidance on the contents of the full PWB. The document before you has been prepared to address those expectations.

The full PWB provides a comprehensive financial plan, covering two aspects:

In the first instance the “maintenance budget” proposal is presented, which follows the conclusion of the June Council that a maintenance budget in the SPWB provided a basis for developing the full PWB.

Second, the full PWB also makes more phased proposals than in the SPWB for restoring the financial health of the Organization.

Section II covers the programmatic aspects of the maintenance budget. The June Council recognized that a major reprioritization effort would not be warranted at this stage, as it would prejudice the eventual recommendations of the IEE on the substance of FAO’s work. The maintenance budget therefore pursues the substantive priorities recently agreed by the membership and reflects the organizational changes approved by the Governing Bodies since 2005. Planned work in four key multidisciplinary areas has been specially highlighted, as per the Council’s advice: i.e. knowledge exchange, capacity development, climate change, and bioenergy.

Section III.B elaborates the financial implications of the maintenance budget which continues to be aimed at preserving purchasing power in the execution of the Programme of Work in 2008-09.

The aggregate additional resource requirements for a maintenance budget reach US\$120 million, representing a 15.7 percent increase over the present levels.

This is consistent with a Zero Real Growth budget formulation that the IEE concluded is a minimum precondition for formulation of a programme of transformational reforms. The two tracks for inter-governmental consideration of the PWB, on the one hand, and of the IEE documentation on the other, are expected to converge this month, through the work of Commission II of the Conference.

Section III.C elaborates the requirements to tackle Financial Health, Liquidity Situation and Reserves.

Given the general feeling expressed in Council in June 2007 for pursuing a more phased approach, the minimum incremental funding level is now proposed at US\$37.3 million. This covers partial replenishment of the Special Reserve Account as recommended by Council in November 2006, and funding for the After-Service Medical Coverage (ASMC) past service liability, in accord with the November 2005 Council which recommended funding at the level prescribed by the latest Actuarial Valuations.

I should also mention savings and efficiency gains, outlined in Section I of the PWB and in a separate information note. Management is committed to pursuing efficiency savings and productivity improvements. A new framework was established for the current biennium and welcomed by Members. It included setting an efficiency savings target of 1-1.5 percent per

annum, which will apply also in 2008-09 where the PWB anticipates a figure of some US\$ 13 million. As we continue the search for economies, including those outlined in the IEE Report, we will sometimes need to invest in or incur transition costs to realise further efficiencies.

Two draft Conference Resolutions are included in Section III.E, one on the Budgetary Appropriations and one on the Replenishment of the Special Reserve Account. The assessed split contributions in Euros and US dollars do not vary under different exchange rate conditions.

While on the subject of resources, I should mention that Section II.C takes a step towards addressing the intention to provide a more integrated presentation of Regular Budget and extra-budgetary resources in the full PWB. This could start to pave the way for a strategic and balanced approach to resource mobilization and to respond to global and local needs and challenges.

In conclusion, this PWB is elaborated in the overall context of the ongoing IEE, UN Reforms and implementation of approved FAO Reforms. The Secretariat has faithfully followed the guidance of the Governing Bodies in preparing a maintenance budget. At the same time, the IEE has concluded that a Zero Real Growth budget – effectively a maintenance budget – is a minimum precondition for preparing transformational reforms.

I reiterate the Secretariat's commitment to achieving efficiency gains including, wherever feasible, those outlined in the IEE Report.

The collective decision of Members on the Regular Programme assessments is a critical step in the process of investing in FAO to make it a global organization capable of meeting the pressing needs of Members now and in the future. The Secretariat is at your service to support the process of coming to your final decision at Conference.

#### **CHAIRPERSON**

Thank you very much Mr Juneja for your introduction on the PWB 2008-2009, I know that the Report has been discussed in the Finance and Programme Committees. I was wondering whether the Chairpersons also want to add something to it or maybe everything has been said by them. Mr. Heard? Yes, please.

#### **Victor C.D. HEARD (Chairperson, Programme Committee)**

Thank you, but no I do not think so. I made the point when I spoke as the chair of the Programme Committee that we did not go into huge detail in that sense. We looked at themes and I really have nothing to add to what I said then.

#### **Aamir Ashraf KHAWAJA (Chairperson, Finance Committee)**

I think the introduction made by Mr Juneja should be sufficient to kick off the discussions.

#### **Antonio DUARTE DE ALMEIDA PINHO (Observer for Portugal)**

I am speaking on behalf of the European Community and its 27 Member States. The candidate countries to the EU, Croatia and Turkey, associate themselves with this statement.

There was a decision taken at the June 2007 Council to take the recommendations of the IEE on board in the PWB at a later stage. The Secretariat's proposal for a maintenance budget for the next biennium is based on the assumption that already agreed activities will continue. However, commendably, climate change and bio energy have been added as new themes that deserve increasing attention from FAO.

According to the Secretariat, the basis for the maintenance budget is the so called Zero Real Growth. The EU supports in principle a maintenance budget, but we talk about a proposal that represents an increase in the budget level of 15.7 percent that, in our view, needs to be studied carefully.

For many FAO Members, including many developing countries, that means a huge increase in their assessment, to the order of 30 percent and, in many cases much higher.



The EU expects a lower budget level in the PWB for the next biennium and we should expect to reach in the next biennium a substantial level of efficiency savings.

In addition, considering the ongoing process of the IEE, we deem it necessary to include a review mechanism in the budget resolution, enabling us to readjust the PWB including the budget level at the Special Conference in 2008.

In our view the proposed cost increases related to the improvement of the so called financial health of the Organization could wait for further discussion, based on a proposal from the Secretariat of a more gradual approach to the necessity for improvement of the financial health during a much longer time period, taking also into account the savings obtained from the reform process.

It would be too late to have now a revised PWB for the next biennium, but we feel that, at least, it is quite possible to pursue short term savings taking into account increased budget demands and to promote quick wins, based on the IEE, that can be easily identified on very different areas of action.

In this framework the EU proposes that during that Special Session of the Conference in 2008, the Secretariat presents a revised PWB, formulated according to the Immediate Action Plan (IAP) that should take into account the outcome of the agreed reform and its implementation, financial implications, being them estimated savings or additional costs.

The revised PWB could also consider some adjustments in allocations to specific budget lines that can take into account, as much as possible, the effective priority settings related to the IAP and to the Draft Strategic Framework that is going to be discussed and presented to the referred Special Session of the Conference.

#### **Christer WRETBORN (Sweden)**

Sweden is speaking here on behalf of the Nordic Countries – Denmark, Finland, Iceland, Norway and Sweden. The Nordic Countries align ourselves with the statement made by the Presidency of the EU on this point of the Agenda.

The Nordic Countries' support for FAO remains firm. We note with satisfaction that all Members support a strong and effective FAO. Enhanced food security and rural development are essential in reaching the MDG 1 of halving the number of hungry people by 2015. Seventy-five percent of the world's poor are directly or indirectly dependent on agriculture, fishing and forestry for their livelihood. The World Development Report 2008 supports the view expressed by FAO for a long time that agriculture and rural development must be accorded a central role in development policy. FAO should play a leading role in this work, as the IEE confirms that the common goals of all the Member Nations of the Organization are to overcome hunger and malnutrition, promote sustainable agriculture and rural development and promote the conservation, improvement and sustainable utilization of natural resources.

That said, it is imperative that FAO be reformed. Far-reaching changes in the Organization are needed for it to be able to live up to the expectations placed on it. The Nordic Countries have been supporting the IEE process from the start, and it is against this background that we are here today to discuss the PWB for 2008-2009.

The IEE is very clear in its final report: FAO cannot meet the challenges that the Organization is facing if it continues with the policy of Zero Nominal Growth. FAO's regular budget has lost more than 20 percent in real terms over the last 12 years and the IEE notes that FAO will rapidly become marginalized to the point of irrelevance if this continues. The IEE confirms that Zero Real Growth for the next two year period is probably the minimum required for implementing the necessary reforms that the IEE has proposed. The Nordic Countries will take this opportunity to express that we have never agreed to the strategy of Zero Nominal Growth policy.

In our opinion, the budget proposal known as the maintenance budget is mainly seen as a compensation for price and cost increases; that is a budget to maintain the Organization's

purchasing power over the coming two-year period. We think it is now important to adopt a budget level that does not force us to carry out reprioritization in the programmes. The need to make changes to the programmes and the programme structures will arise in connection with the implementation of the IEE's recommendations and proposals. To change the programmes now, to then make changes in the programmes again in a year's time is wasting scarce resources. The Nordic Countries note that our position is in line with the vast majority of FAO Members at the FAO Council in June 2007.

The maintenance budget does, of course, also contain cost increases for measures that have been decided by the Governing Bodies or that can be decided by the upcoming Conference. It is basically a question of smaller sums. Regarding the Russian language we consider it reasonable for the first steps to be taken towards phasing in Russian as an official language alongside the other official FAO languages.

However, we are disappointed by the fact that the Secretariat does not intend to continue endeavours to increase efficiency. Realistic efficiency gains are not included in the proposed assessment for 2008-2009. FAO has previously been very successful in increasing efficiency and as recently as the last two year period FAO applied a typical annual efficiency goal of 1-1.5 percent to the public sector. There are no objective reasons why this long-term policy should stop, and we are completely convinced that FAO's Secretariat is capable of continuing to increase efficiency on the same scale as previously.

FAO does, of course, need a liquidity reserve to cope with the temporary strains on the budget and many liquidity problems occur because the Member Nations do not fulfil their commitments to the Organization on time, or at all. The expenditure of interest payments that FAO suffers due to late payment of the assessed contributions has to be paid for by all other Member Countries. This is unreasonable and it is important, in connection with the discussion of the IEE's recommendations that this issue is also properly examined and that it lead to effective and tangible measures. The Nordic Countries can support a certain increase in capital reserves in order to give the Organization a buffer, but further measures to restore FAO's financial health should be postponed.

The PWB refers to a programme and budget for the next biennium. However, the present PWB does not take into account possible costs resulting from the implementation of the IEE's recommendations and proposals. This is also reasonable as these costs depend on what recommendations Member Countries consider should be implemented and how much these recommendations would cost. We do not know what these are at present. This is an issue that will have to be dealt with by the Extraordinary Session of the Conference in 2008. But we are prepared to include an extra budget line in the budget proposal for 2008-2009 in order to cover the costs related to the implementation in 2008 of the Conference Resolution for the IEE.

To sum up, the Nordic Countries can support the principle of a maintenance budget. It gives FAO the possibility of implementing essentially unchanged activities over the coming two-year period and avoiding demanding reprioritizations in programme activities. However, we believe that FAO must continue to look for ways of rationalizing and changing administrative routines etc. This is a necessary condition for effective management of resources and a central aspect of every vital organization.

#### **CHAIRPERSON**

I wish you all a very nice evening and see you all very fresh at 9.30 tomorrow morning in this Room.

#### **Habib AL ABDOUDI (United Arab Emirates)**

I would like to thank Mr Juneja for his statement.

I would like to repeat what I have said regarding the establishment of a Sub-regional Office in the United Arab Emirates, but this time I would like to say it in the English language in order to avoid any misunderstanding resulting from interpretation from Arabic.

My Government wishes to confirm the statement that was made during the last session of the Council in June 2007, concerning our commitment to host the Sub-regional Office for the countries of the Gulf Cooperation Council and Yemen according to the agreed criteria.

We are currently working with the Secretariat to finalize the Host Country Agreement, including coverage of the full cost of this new office, as soon as possible. We hope, with your agreement, that this new Office will be operational in early 2008.

I would like to take this opportunity to express my appreciation to the countries of the Gulf Cooperation Council, as well as the regional groups and in particular the Near East Group and the G77 and China, for their support.

Finally, I would like to assure you that we will make all the necessary arrangements to ensure that the new Office will be able to work under the best conditions to achieve the objectives of the Organization and its Member Nations. I request the Council to approve the establishment of this Sub-regional Office in the United Arab Emirates in 2008.

**Lee A. BRUDVIG (United States of America)**

Thank you for the opportunity to speak on the Programme of Work and Budget. This year in particular, it is impossible to discuss the Programme of Work and Budget in isolation, since we are all working together to implement the Independent External Evaluation (IEE) of FAO.

The United States supports a strong and effective FAO. The world needs FAO and the United States fully supports the Organization and its mission. We believe the IEE provides a unique opportunity to transform FAO into a more relevant, focused and effective Organization.

A recurrent theme throughout the IEE is the need for FAO to define and focus its priorities. Over the years, FAO has tried to be all things to all people, with the result that it lacks the resources to effectively carry out those programmes in which it has a unique or comparative advantage and remains mired in programmes that have outlived their viability.

I would like to commend the Programme and Budget Office for the budget presentation that integrates assessed and voluntary contributions. We see the integrated budget as an important step towards reprioritizing FAO's programmes. Reprioritization must be central to the reform effort. The integrated budget also demonstrates the urgent need for a clear resource-mobilization strategy covering the full range of programming. The IEE addresses this point and we should develop it further.

The United States believes that the Conference should adopt a one year budget for 2008 to give FAO and its Membership time to plan a transition to a re-prioritized structure and focus consistent with that recommended in the IEE.

We strongly believe there is a much greater likelihood that FAO will embark on meaningful and timely reform if the upcoming Conference adopts a one-year budget for 2008, leaving it to the Special Conference in November 2008 to adopt a one-year budget for 2009, that ties budget levels to firm decisions on reform. In our view, if there is real movement on reform over the next year, and the 2008 Conference agrees to adopt significant reform measures, then FAO Members should approve a budget level for 2009 that reflects those reforms efforts, including increased funding where warranted.

We believe that adopting a one-year lean budget for 2008 that assures stability of programmes is a critical first step in getting FAO to reprioritize its work programme in a significant and meaningful way. We are convinced that if FAO were to be funded at an appreciably greater level, there would be less incentive for reform. Let me make my point here very clear. Our goal is to assure the resources necessary to maintain current FAO operations, without incurring additional costs in the near term beyond those necessary to enable the transformational reform process, to proceed.

Indeed, the IEE Report states quite conclusively – and I would like to quote – "Money alone will not solve the Organization's problems. Without transformational reforms, FAO's current trajectory will prove unsustainable financially, strategically and programmatically."

The United States reiterates its desire for a strong and effective FAO. If we are able to collectively mobilize the political will to change, we are confident that we can embark on a path of reform with growth over time on the basis of clear milestones and benchmarks that inspire confidence among FAO Members. As we embark on this reform path it is, in our view, essential to very closely link reforms and resources.

**Ms Oksana DRAMARETSKA (Ukraine)**

On behalf of the delegation of Ukraine I would like to thank the Secretariat for the proposals of the Programme of Work and Budget. We also appreciate the work of our colleagues from the Finance and Programme Committees.

We express our support to the statement made by the European Union on this item. We acknowledge that this PWB is elaborated in the overall context of the ongoing IEE, UN Reform and the implementation of the approved FAO Reforms.

In determining the budget level, we have to be sure that the Organization would be able to carry out its programme of work. That is why we do support, in principle, the maintenance budget. However, we share the views of those Members who expressed concerns about the sharp increase of the budget level. We cannot fully support such an increase. We think that the EU has made a good proposal to renew the PWB at a special session of the Conference next year.

**James MELANSON (Canada)**

This Programme of Work and Budget is a transitional document and Canada welcomes it on that understanding. It reflects programme priorities and a level of activity intended to maintain continuity with the past but not yet reshaped to reflect the guidance of the Independent External Evaluation (IEE) and a renewed approach to the challenges of the future.

We commend the streamlined process that has been used to prepare this PWB and the innovation of presenting both regular and extra-budgetary funding together.

In significant measure, this PWB demonstrates what the IEE has told us. FAO continues to merit a place in the multi-lateral architecture. Activities in standard-setting, global fisheries and forest governance and capacity development so that all countries can participate and the benefits are necessary global public goods and have no other clearly available provider.

As Mr Juneja said, we are now arriving at that point in time that has been anticipated for some months, where the outcomes of the IEE and the programme planning and budget-setting of the Organization will come together.

Within the usual strictures of budget discipline, Canada believes that the Organization needs the space to sensibly undertake the transformative changes that the IEE has recommended. While, not at this point, predicting the level of budget that we will jointly decide on, we would like to suggest some of its conditioning characteristics. It should be clearly calibrated to the reform process, both encouraging and enabling the changes that we will all agree on. It should reward the sharpening of strategic focus, streamlining of management and structure and the strengthening of governance that are the characteristics of multilateral excellence. In short, reform and resources should walk hand in hand.

As they travel together in this fashion – reform and resources – we will need milestones along the way to inform us how far we have come and what road we still have to travel so that we will know when and in what measure our reform fuel tank needs to be refilled. Such milestones may well give us greater confidence in the journey we are about to undertake and the resources we must set aside for it.

**Mme Ivone Alves Dias Da Graça (Gabon)**

Pourriez-vous s'il vous plait donner la parole à la délégation du Zimbabwe qui s'exprimera au nom du Groupe africain? Merci.

**Ms Mary Margaret MUCHADA (Observer for Zimbabwe)**

Africa supports the maintenance budget, as presented by the Secretariat. We believe that while it does not go a long way towards meeting our actual vision, at least it provides a foundation from which we can begin to work.

We have to remain focused on the idea of strengthening the Organization to enable it to deliver its mandate. The adjustments that are to come, following the extensive study that has been commissioned by this body, should ensure that the end result, which is the achievement of the MDGs, remains central as our objective.

The resources available to the Organization by the maintenance budget, while they do not offer long-term financial security, they at least maintain the current operations and prepare us for the wide-ranging adjustments that will follow, once a mechanism that will be set up by this body takes place in the coming year.

Unless we guarantee current performance and level of delivery of programmes, we will suffer because the Organization will lose momentum. In the past biennium, this loss of momentum led to some slowing down of critical programmes that affected many of the developing countries. I can cite one programme that was cited by many when we last discussed the item – which was the TCP – which fell from US\$5 million a month to US\$2.5 million a month, showing that even programme delivery was suffering at that pace.

If we can find ourselves advocating to have the capacity of the Organization, and yet indeed at the same time we are talking of revitalizing and renewing this Organization, are we not contradicting ourselves? In this regard, we welcome the maintenance budget, as it will go a long way towards safeguarding some of the current programmes we have on hand.

Unless we provide resources, the Organization will be forced to cut on staff and to cut on programmes. Now, for an Organization that we would like to come out as a knowledge Organization, any staff cuts we make are cuts or reduction of the level of expertise that we are offering in the field of agriculture. To our knowledge at the moment, the Organization is running with a minimum of about 200 vacant posts. In this, we ourselves are undermining the expertise of the Organization. So, once we do admit that there are adjustments that will come with the implementation of the IEE, let us listen to the report of the IEE. Even in the summary, the IEE is advising Members that the starting point is a ZRG. We cannot think of growth without looking at the ZRG. At the same time they talk of reform with growth, but I seem to understand or to have heard some intimation by some speakers that we must first reform and then we can talk of growth later. Then we are not talking about the IEE. If we are talking about implementing the IEE, then let's look at the report in its letter and spirit, and into the link between the IEE and the maintenance budget.

We believe that FAO reforms, initially, will benefit if the ZRG is assured and we are encouraged to learn that there some regions who also view this in the same perspective. We have heard some regions, ones that may not be looking at it from the perspective of Africa, the EU and the Nordics and related regions, have fully supported the idea of a maintenance budget. We believe, as members, we should look at it and consider seriously where we want to go from here. For planning purposes, Africa will not consider a one-year budget because any planner would want to have a long-term perspective and to plan accordingly. Yes, we will adjust, we should adjust within a long forecast. We cannot ask the Secretariat to have a perspective for the next 12 months and only then to tell them how much more we will be giving them.

For Africa, we believe that the maintenance budget should be supported as it is. True, we accept that we should also see merit in what will be undertaken by the Secretariat, but the Secretariat are

party and part of the reform mechanism and we do hope that they will be working closely with the reform mechanism that will be set up by this body. Besides that, whatever is allowed for in the maintenance budget will not go to waste. The Secretariat will be mindful to ensure that this goes towards fulfilling the vision that we are now being encouraged to build by the evaluators who have tabled the report.

I am sorry as it appears as if I am going into this report but I have had to as I thought there was some discussion of it in this meeting.

We believe that this budget should not attempt to do the work of the mechanism that the Council or the Conference is going to set up for the post-Conference stage so let's deal with those aspects that we, as Members, are in a position to handle at this point and time. Let's trust that mechanism that we are going to set up because, as Members, we will be participating in that mechanism and we would like to see that the maintenance budget stands as it is but be the foundation from which will begin to grow.

**Aamir Ashraf KHAWAJA (Pakistan)**

Pakistan is speaking on behalf of the G77 and China.

The G77 and China agree that there is a strong and immediate need for arresting the steady design in the resources of FAO which has occurred over the last 13 years. The argument for Zero Real Growth to take effect here and now, before building a base for growth around agreed priorities, is sound, logical, and convincing. The Membership must come forward and assume its responsibility towards FAO, if it rightfully expects FAO to fulfill its responsibility towards the membership.

There is one budget line where the G77 and China are not satisfied with the proposed level of budget. The Technical Cooperation Programme (TCP) of FAO is vital to the capacity-building needs of the developing countries in the twenty-first century, to reorient themselves to themes like agricultural trade, biofuels, and climate change. FAO would need to invest more in TCP, if it aims to discharge its responsibilities towards the membership. We are disappointed that the level of TCP has not been proposed at the desired level, in accordance with the Conference decision in 1989, of maintaining the TCP at 17% of the total budget level. The budget level needs to be revised to accommodate this.

The G77 and China consider the limited reserve building for FAO within this budget as insufficient. We recall that the liquidity situation during the present biennium has resulted in the TCP spending to be only 30% of the allocated resources for 2006-2007. This situation is likely to recur in future if, inter alia, appropriate measures to build reserves of the Organization are not taken. The developing countries have come up with the option of reserve building, to address this in future during the Finance Committee deliberations. The present proposals for reserve building are limited to replenishing the Special Reserve Account with an equal amount sanctioned by the Governing Bodies for meeting unbudgeted costs during the present biennium. The G77 and China approve this, but this needs to be carried forward in the future to build reserves of the Organization prudently, and in accordance with best practices.

We support the Budget proposal on a whole, as the bare minimum foundation on which the Membership can start rebuilding FAO. Finally, Madam Chairperson, the G77 and China rejects out of hand any proposals for approval of a one-year budget. We find this as unacceptable, something which would place the Organization in a state of suspension and uncertainty.

**Eudoro Jaén ESQUIVEL (Panamá)**

Primeramente quisiera manifestar que nuestra delegación apoya plenamente la intervención del Representante de Pakistán que habló a nombre del G77 y China.

Quisiéramos solicitarle ahora de conceder la palabra a la Representante de Kuwait, Presidenta del G77.

**Ms Lamya Ahmed AL-SAQQAF (Observer for Kuwait)**

Kuwait is speaking on behalf of the G77 and China. I would like to thank the United Arab Emirates for their generous offer to host the Sub-regional Office for the countries of the Gulf Cooperation Council and Yemen. Through this support, the Office will be crucial in confronting issues such as desertification and water shortages. In addition, the Office will aid in managing the global questions relating to biofuels and climate change. The G77 and China request the Council to approve the establishment of this Sub-regional Office in the United Arab Emirates in 2008.

**Kim CHANG-HYUN (Republic of Korea)**

I would like to make a general comment to this issue. The Korean delegation understands the PWB was finalized before the final report of IEE was available. With the proposed PWB by Secretariat, it would be high time to reproduce the IEE recommendation more efficiently by the prioritization of current projects. The Korean delegation believes that new priority-setting based on IEE can appear to tackle the new challenge in the twenty-first century. In this regard, it is worthwhile to create a special working group to prepare to implement the recommendations of IEE, so the budget could be focused on the IEE recommendation. The Korean delegation would like to emphasize that the revised PWB could go along with the result of the IEE as much as possible. Finally, the Korean delegation would like to share the view that if the PWB focus more on new priorities, FAO would be a more effective Organization.

**Yohannes TENSUE (Eritrea)**

I share the statement made by Zimbabwe and Pakistan. For the Programme of Work and Budget of 2008-2009, the minimum requirement is the maintenance budget. What does the maintenance budget include? It includes the inflation rate and the exchange rate. Previously, when we discussed the exchange rate, we established an exchange rate of 1.3. However, now the Euro and dollar value has gone up. So, when we consider the exchange rate and the maintenance budget, it must be at a current level of exchange rate, which has gone up to about 1.5 at this time or 1.4 to 1.5, not really at the level of 1.33. That is the minimum requirement that we support for the 2008-2009 budget. We have been talking about the other programmes and unexpected programmes of climate change, bioenergy and transboundary animals. They require extra funds. They are new events. The maintenance budget will accommodate the extra requirement, but supplemented with extra-budgetary funds which would become part of the regular budget.

The one-year budget is against the Financial Rules of the Organization. When the Financial Rules of the Organization were established, the two-year budget was decided. Before you go to the one-year budget, you have to abolish that one, but we are not prepared to abolish it or change the Financial Rules of the Organization. So, it is out of question to think about the one-year budget of the Organization, because a two-year budget was decided a long time ago. I cannot tell you when it was decided, but it is in the Financial Rules of the Organization. Changes in the mandates of the Organization have not to be included in this topic. So since other points have been covered by Zimbabwe and Pakistan, these are the points I would like to emphasize.

**Brahim BOCAR DAGA (Mali)**

Je voudrais juste rappeler ici, qu'il y a deux ans nous nous sommes engagés avec beaucoup d'enthousiasme dans ce qu'il est convenu d'appeler les relations externes indépendantes. Après un constat, nous voyons notre Organisation s'enfoncer toujours un peu plus. Tous les États Membres je crois y ont adhéré parce qu'ils y ont cru. Il est dommage qu'au moment où nous arrivons vers les conclusions de cette Evaluation externe indépendante, nos chemins divergent. Il faut donc faire appel au sens des responsabilités des uns et des autres.

Les experts que nous avons commis pour analyser la situation de la FAO disent une vérité que nous connaissons, à savoir, qu'on ne peut pas continuer cette descente aux enfers pour la FAO si effectivement nous voulons qu'il y ait encore une FAO. Ce budget de maintenance qui a été proposé (nous en reparlerons certainement en examinant de fonds en comble l'évaluation) n'est

pas, comme on a tendance à vouloir le dire, une occasion de donner de l'argent à la FAO pour faire du gâchis. C'est simplement pour dire que, tout constat étant fait, il faut enfin arrêter l'hémorragie pour nous permettre d'engager les réformes idoines pour que la FAO remplisse sa mission.

On aime bien employer des mots ici en disant que la FAO est une maison du savoir, mais Madame la Présidente, les huit cents et quelques millions d'affamés qu'ont-ils, passez moi le terme, à faire du savoir de la FAO si cela ne doit pas profiter à accroître la productivité, la production afin qu'ils aient à manger ? Sinon on va à l'UNESCO, il y a du savoir là-bas. Mais ici, à la FAO nous savons pourquoi la FAO a été créée. On ne va pas continuer simplement à se glorifier d'avoir une Organisation qui connaît le savoir si le savoir ne nous conduit à rien du tout.

Il faudrait que nous soyons responsables. Il n'est pas responsable encore de nous dire qu'il faut nous limiter en un an du budget et puis on verra après un an ce qu'on va faire et dans un an encore, on nous dira qu'il faudrait peut-être bien penser maintenant à doter la FAO d'un budget mensuel. Si nous avons vraiment le sens des responsabilités et puisque nous sommes engagés dans cette Evaluation externe indépendante en pensant à notre Organisation, nous devons continuer dans cet esprit de cohésion qui nous a animés.

**Moungui MÉDI (Cameroon)**

We associate ourselves with the comments made by Pakistan, Zimbabwe and Mali. We welcome the document C 2007/3, and we congratulate the Secretariat for its effort in producing it, especially as it is accommodating such a wide range of the divergent views expressed during the 132<sup>nd</sup> Session of the Council in June 2007, when it examined the Summary Programme of Work and Budget. We also thank the Programme and Finance Committees for guidance provided as contained in the report of their subsequent meeting of September 2007, which as we previously saw in the item before this, will be, or was thought to be fruitful at this Session of the Council so as to feed into the discussions of the Conference next week. We take note of the ability of the Independent External Evaluation report as well as the management response thereon, and welcome the strong message of reform with growth which it contains, and also the first attempt to provide an indicative figure of a financial implication attached to it.

The preparation process of a PWB of FAO has proven to be a very lengthy and time-consuming one and the experiences of the past two PWBs whereby the budget appropriations were adopted inside the biennium has brought into the limelight the weaknesses of such a process. FAO has suffered a lot from this mechanism which has contributed to destabilise the financial viability of the Organization. We appreciate the fact that the scenario system, which was a non-productive system in the previous PWB, has been shelved in this one.

We recognize that FAO is in a bad shape financially, and needs urgently an infusion of fresh cash to redress this financial situation. My delegation therefore calls for our collective responsibility to make sure that the 2008-2009 biennial budget is adopted at the closing stage of the Conference at the latest. We welcome the information provided in the document on FAO's involvement in the reform, its work at country level on the ongoing cooperation among the Rome-based organizations working in the area of food security. We encourage FAO to go ahead in building stronger strategic partnerships with its sister organizations based in Rome, especially at country level. We acknowledge the benefits and the added value of these extra-budgetary contributions. We welcome the spirit of transparency embedded in the spirit of the 2008-2009 budget and the attempt to create an acceptable balance between assessed and voluntary contributions. We have no problem in seeing that FAO can continue to rely on voluntary contributions to properly fulfil its mission. Our suggestion is, nevertheless, that generous donors consider the possibility of making them flexible and untied to the fullest extent as possible.

The development architecture is faced today with the emergent challenges such as climate change, biofuel, rapid technological changes, erosion of seasonal changes, increasing competition of land and water resources, changing and evolving environment cooperation context, transboundary diseases, and you can name all of them. FAO's frustration over these new challenges with this



PWB is therefore a matter of realism and we support it. We see logic in aligning these challenges to the main thematic areas. We wish also to reiterate our continuous plea for increased interdisciplinary actions, particularly in the areas of gender balance in parliament and HIV/AIDS. It may sound like a repetition if we continue to express our support as a priority to programme entities that have a direct impact on Africa's agriculture, such as innovative programmes suitable to be scaled up, capacity-building and other special programmes. It is our view that these programme entities best respond to the needs of African countries today. We are deeply concerned with the increased financial imbalance and critical deficit facing the Organization.

We concur with the Secretariat that the General Fund deficit, the deteriorating cash flow situation, the under-budgeted cost and the unfunded liabilities need to be adequately addressed. The proposed maintenance budget to that effect is acceptable to us. With possible adjustment in the cost of its implementation, it is obvious that incremental and supplementary reforms are needed to bridge the financial imbalance gap of the Organization, as we contribute to plunge FAO in a vicious cycle of structural deficits, in addressing some of the above-mentioned critical issues.

**Javad Shakhs TAVAKOLIAN (Iran, Islamic Republic of)**

To be brief and in keeping with the need to save time, the Iranian delegation would like to be as brief as possible and support the statement made by the Pakistan delegation on behalf of the G77 and China and also the Zimbabwe, Mali and Cameroon delegations.

**Yasser ABDEL RAHMAN SOROUR (Egypt)**

We understand very well the difficult financial situation that FAO is facing and indeed to face such challenges. Egypt has participated in workshops organized by the Secretariat, through which we understood the reasons why the Secretariat has launched the maintenance budget scenario. I would like, in this context to express our support for the statement by Pakistan on behalf of the G77, taking into consideration in addition to what was said by our colleague from Pakistan and the IEE conclusions. However, the suggested budget should lead to the stability of the financial health of the Organization. We hope that we can reach a certain budget level that would help the Organization undertake the tasks. We duly reiterate the necessity to maintain the allocations for the TCP, as well as the increase such money allotted to that purpose and this because we are convinced that we have new challenges and the developing countries need the help of FAO.

**Vangile TITI (South Africa)**

South Africa associates itself with the views expressed by Zimbabwe, Mali and others. We would like to commend the Secretariat for putting together the Programme of Work and Budget which reflects FAO's historical programs but is also forward-looking as reflected in the attention given to the Program of Work and Budget to climate change, bio-energy and transboundary diseases. We support the principle of a maintenance budget but would like to register our concern that this does not actually restore the financial health of FAO and that our Members need to commit to timely payments of assessed contributions. We also support the convening of a Special Conference in 2008 to follow up on the IEE recommendations and also to give direction on priorities and budget levels for the next biennium. Finally, South Africa does not support the idea of a one-year budget.

**Abreha Gebray ASEFFA (Ethiopia)**

My delegation asserts itself with the statement made by Zimbabwe on behalf of Africa, Pakistan on behalf of G77 and China and also Kuwait on behalf of the establishment of the Near East Office in the United Arab Emirates.

**Seiichi YOKOI (Japan)**

Japan appreciates that FAO has been contributing to expanding world economy and ensuring humanity's freedom from hunger as its fundamental objectives for more than sixty years since its establishment. Japan also recognizes the importance of FAO's role today, including those towards achieving MDGs and to tackle new challenges including transboundary animal diseases, climate

change and bioenergy. Japan is proud of having contributed to FAO's accomplishments including the provision of one fifth of the total assessed contributions which is more than US 75 million per year. As the second largest financial contributor to FAO, Japan would like to see FAO provide the necessary services to its Member Nations in an effective and efficient manner including more focussed resource allocation to the prioritised subjects and improvement in its institutional governance. From this point of view, Japan welcomes the IEE Report and would like to actively participate in the process of FAO renewal.

However, Japan is strongly concerned about the budgetary level of 2008-2009 presented in the PWB. Japan has to point out that the PWB proposal on the total amount of assessed contributions in the 2008-2009 biennium including the maintenance budget is unrealistic to be accepted by the Member Nations, being nearly thirty percent larger than the current level in US dollars. Japan's basic position to all UN Organizations is that financial discipline is needed, and the budget should be limited not beyond the level of the previous year in nominal term. In this context, FAO has to identify the priority areas of activity with comparative advantage in the UN System and to restrain the size of regular budget as small as possible for the realization of an efficient and effective organization. Finally, Japan would like to actively participate in the discussion of the PWB in this Session of the Council and the subsequent Session of the Conference.

**José Antônio MARCONDES DE CARVALHO (Brazil)**

Brazil also associates itself with the statement made by Pakistan on behalf of G77 and China. We do support the maintenance budget and we consider that time has come to put a final stop on the trend of last biennia of constantly reducing the level of regular budget. We are about to start the exercise of renewal of FAO to allow it to recover its vigour and have it fit for the needs of all its Membership. Further crippling of the Organization by restricting the funds available to the regular budget is on the view of my delegation is contradictory, to say the least. We had wished that the level of the regular budget were at a higher level so to allow it a full-fledged FAO to fulfill its mandate.

We do certainly understand the circumstances under which you will be approving this budget, but we cannot agree to a level below what is being suggested in the maintenance budget.

The financial health of this Organization is at stake due to late payments of contributions. We support the replenishment, though partial, of the Working Capital Fund. On the issue of the TCPs, the Membership should pay special attention to the determinations of Conference as mentioned by Pakistan on behalf of G77 and China, which we fully support. My delegation is also concerned with the insufficient resources for rural development and agrarian reform as contained in this budget, and we think that this issue should be corrected.

Before I conclude, I also would like to associate myself with those who have spoken on the issue of extra-budgetary funding of this Organization. We have consistently stressed that this situation represents a distortion and must be corrected, if we are to preserve the multilateral character of this Organization.

**Enrique MORET ECHEVERRÍA (Cuba)**

Será muy breve mi intervención. Ante todo deseo respaldar la intervención hecha por Pakistán en nombre del Grupo de los 77. Por ello, mi delegación respalda la propuesta de un presupuesto de mantenimiento para el próximo bienio 2008-2009, dicha propuesta debe conservar el nivel de actividad en la transacción de los programas al mismo nivel del bienio anterior y en especial mantener protegido el programa de cooperación técnica PCT.

Por otra parte debo dejar constancia que mi delegación tendría dificultades en aprobar cualquier presupuesto que tuviera un carácter anual.

**Dato'Zulkifli Bin IDRIS (Malaysia)**

Malaysia acknowledges document C 2007/3 and congratulates the Secretariat for the efforts put into producing the full Programme of Work and Budget 2008-2009, covering both the programme

of work and also a plan to restore the financial health of the Organization. Malaysia supports the intervention made by Pakistan on behalf of the Group of 77 and China for the two-year budget. My delegation also supports the Report which integrates both the regular and extra-budgetary resources and thanks the Programme and Finance Committees for providing the guidance and inducing a debate. Malaysia welcomes the intention to initiate the full Programme of Work and Budget in a more integrated presentation of the regular budget so that the extra-budgetary resources can contribute to the regular programme of the Organization more effectively. This would also facilitate opportunities for the extra-budgetary resources to support and meet critical funding gaps affecting priorities and programmes agreed by the Members.

Malaysia supports the maintenance budget proposed by the FAO Secretariat that would help the Organization provide the same level of services as approved by the Conference in 2005. This will form a realistic stop-gap measure while Member Nations discuss longer-term measures on the future of FAO. However, the maintenance budget for the coming biennium should not in any way slow down the implementation of the TCPs and other priority programmes as has been happening during the current biennium.

We also urge the Secretariat to prioritise its activities by taking into consideration the recommendations from the IEE Report and incorporating the UN Reforms.

Malaysia is concerned about the Secretariat's proposal for an increased budget of US\$ 101.4 million and US\$ 18.7 million for implementing the requirements for the next biennium. This will cause a total net appropriation of US\$ 885.8 million. FAO has also proposed a minimum funding of US\$ 51.4 million to restore the financial health of the Organization. The revised full Programme of Work and Budget 2008-2009 would resolve in and increase of overall contribution of US\$ 162.5 million or twenty-one percent of the current contribution. Hence, we do not support FAO's proposal to increase the overall contribution for the coming biennium by a thirty-one percent increase across the board, over and above the UN Scale of Assessments for 2008-2009. The proposed cost increases might create more problems with many Member Nations in paying their contributions to the Organization. Malaysia reiterates that the budget level for the Organization will still be a political decision because, based on experience, only a few groups of countries will meet separately and will decide on FAO's budgetary level. Hence, Malaysia wishes to call on all Members from both developed and developing countries to be realistic in their decision-making process. We need to work as a team to enable the Organization to be sustainable, healthy and strategic to meet the targets of the Millennium Development Goals and to face the challenges of the twenty-first century.

#### **PANG YULIANG (China)**

First of all the Chinese delegation is in favour of the statement of the delegate of Pakistan on behalf of Group 77 and China. Secondly, the Chinese delegation supports the delegates of Pakistan on behalf of Group 77 and China on their concerns over TCP projects. Thirdly, the Chinese delegation supports the Brazilian delegate's statement about the concern over the reliance on extra-budgetary contributions.

#### **Pinit KORSIEPORN (Thailand)**

Thailand appreciates the integrated presentation of Regular Programme and extra-budgetary resources in the proposed Programme of Work and Budget 2008-2009 as appeared in the Table 3 of page 36 of the document. Thailand associates itself with the statement made by Pakistan on behalf of the G77 and China. We understand the importance of the four key areas of the multidisciplinary works: management and exchange, capacity-building, climate change and bioenergy. As for the bioenergy, Thailand believes that FAO must provide policy guidelines and knowledge to developing countries on bioenergy, crops and food crops in order to avoid negative impacts on world food security. Thailand is pleased to see that the budget allocation for current FAO technical works in Chapter 2, Sustainable Food and Agricultural Systems, has increased almost all programmes. However we would like to encourage the Organization to put more effort

on the capacity-building of small farmers, as well as small-scale fisheries and aquaculture operations especially in the areas of food quality and safety including high-value market channels.

With regard to the budget level, we know that the significant increase of resources as reported in the maintenance budget is imperative so as to maintain the purchasing power of the Organization. Thailand joins the consensus on the decision of the maintenance budget because it must be noted that the increase of budget should strengthen the capacity of FAO in assisting developing countries on food and agriculture production.

**Syed NAQUIB MUSLIM (Bangladesh)**

Bangladesh expresses its deep appreciation to the Finance Committee for raising the issue of climate change. We have made a proposal to the Finance Committee, Bangladesh being one of the victims of the climate change and at the moment Bangladesh is facing adverse effects of the climate change and that is also affecting the productivity and the food deficit. So far, farmers need greater attention in the sense that farmers produce food for us and they need protection because of the climate change, and they need to be protected because the climate change affects livelihood and the agriculture productivity. So we propose that there should be elaborate and comprehensive education and training programmes for the farmers so that they can cope with and tackle the effects of the climate change, because if the farmers cannot produce food for us, there is no point that we talk and we discuss.

**CHAIRPERSON**

That concludes the list of speakers of the distinguished delegates. Then there is also one Observer.

**Mohamed Eltayeb Elfaki Elnor (Observer for Sudan)**

I would like to complement you on your skillful and wise handling of the meeting. My delegation would like to express its sincere appreciation for the considerable efforts made to draw up the Programme of Work and Budget, especially in an extremely difficult financial context for the Organization. There is a growing need on behalf of the Member Nations. Member Nations need essential services and it is indispensable that the Organization help them. We support the previous speakers who insisted on the importance of guaranteeing a Zero Real Growth budget. That is a minimum and it is essential to ensure that the maintenance budget is able to play its part in providing technical cooperation and all the other things the FAO should do in order to build capacity in developing countries.

We also have problems of transboundary diseases and pests that are extremely important matters which call for a suitable reaction in order to protect animal resources in our countries. Consequently, we support the integrated approach which has been adopted for the budget which brings the budget and extra-budgetary resources together. We also support the United Arab Emirates' offer to host a Sub-regional Office for the Gulf Cooperation Council countries and we also support the use of Russian as an official language of the Organization. We support the position taken by G77 and China in this regard.

**CHAIRPERSON**

May I conclude this item on the PWB. A range of views were expressed from different angles, but I am sure that there will be a Council report which will be discussed further during the Conference and draft resolutions will be discussed in Commission II of the Conference. So I hope that we can conclude by saying that we have had a fruitful discussion. We have expressed different views and sometimes we have had the same views, but not always. So, much will be discussed next week during the Conference. I would like to suggest concluding this item at this particular moment. What we also have decided is that most draft resolutions are contained in document CL 133/LIM/2 on Item 8. We will come back on this Council meeting as was suggested by Brazil and Japan, and hopefully that can happen tomorrow during the day. If you all agree with that, I would like to propose that we will take up the Conference tomorrow morning at 9.30 hours. But there is also a request from the Secretariat to respond, but as far as I know, there were no questions, there were a lot of comments. In the past weeks, I have seen that there were a lot of

comments and a lot of seminars and discussions where a lot of things were clarified. I am not sure whether there are so many questions still left, but I would like to give the floor to Mr Juneja. What I already said still stands, so we will come back on that later.

**Manoj JUNEJA (Director, Office of Programme, Budget and Evaluation)**

The speed and depth of your interventions today give me inspiration to be concise and precise. You are quite right that in fact the debate will continue through Commission II, but perhaps to assist the deliberations in the next few days, I could address some of the comments that have been raised by Members.

The many Representatives have referred to a maintenance budget, the representative of Portugal speaking on behalf of the European Union noted the support in principle for a maintenance budget and suggested that the 15.7 percent increase proposed in the PWB needs to be studied carefully. This has been studied quite carefully in previous sessions of the Finance Committee, in particular the Session in May and the Session in September and also of course the last session of the Council. The Representative of Egypt referred also to a workshop which was organized by the Secretariat and held on the 18 September. I would really like to offer myself to provide further clarification if necessary either bilaterally to Members or in an Informal Seminar during the Council and Conference Session, so that all Members can understand why the PWB has such significant increase of 15.7 percent under a maintenance budget. This is indeed fully consistent with the principle of maintaining purchasing power. It is significant, not because of future estimates of inflation, but because of a catching up of underbudgeting of the past, but certainly I am available for further clarification.

The Representative of Sweden, speaking on behalf of the Nordic Countries, referred to the need to continue with efficiency savings. I would like to underline that the target of 1 to 1.5 percent that was referred to is a target that the Secretariat is committed to for 2008-2009. In this regard I would also like to refer you to the information note that is available with the Conference documentation that provides much more detail on efficiency savings in previous biennia and in the current and future biennium. I can indicate to you in that regard that the efficiency savings tabulated for 2006-2007, the current biennium amounted to US\$29 million and the efficiency savings, as I noted in my introduction, for 2008-2009 amount to US\$13 million.

I should add that the maintenance budget will actually make the realization of efficiency gains easier. In the 2006-2007 budget a new framework for efficiency savings was put forward and this was warmly welcomed by the Finance Committee and by the Council. It included proposals such as an innovation fund and an efficiency tax. Now perhaps this is not the time to get into the details but these are mechanisms, behavioural mechanisms, that will make it much simpler to reap greater efficiency gains. It has not been possible to implement such behavioural mechanisms under the present budget conditions, but the Secretariat is committed to doing so under a maintenance budget and we believe that that will pay a good dividends.

The efficiency savings identified by the IEE are also areas that management is very committed to reviewing and many of them will require upfront investment, but those will also need to be reviewed in greater detail in early course.

The point I would really like to make is that there is a link between resource levels and the capacity of the Organization to achieve efficiency savings and I must underline the Secretariat's commitment to achieving savings.

The representative of the United Arab Emirates, supported by many Members including Kuwait for G77 and Egypt, have referred to the proposed new Sub-regional Office for the Gulf Cooperation Council, and I would again underline that this proposal, which we hope will be endorsed by Council, does not entail any additional Regular Programme expenditure or transfers of expenditure. It would be fully covered through extra-budgetary resources.

Regarding the comments by many speakers, including the United States, Cameroon, Brazil amongst others, on the integration of Regular Programme and extra-budgetary resources, we do

believe and we do agree that this is an area for further action, for early action in 2008, and one that will allow the Organization to have a holistic and coherent resource mobilization strategy. With regard to comments made by Brazil, what we would like to achieve is a situation of predictability and untied extra-budgetary funding, coupled with improved governance. There are models already in place in FAO where this is indeed the case, and I would refer you to, for example, strategic partnership programmes, such as the one with the Netherlands, as well as the Special Fund for Emergency and Rehabilitation Activities. These are the kinds of models that we really need to work on in order to proceed with an integrated programme. Of course in that respect, we are in the hands of the donor community to agree to models of improved predictability and untied resources, which I might add, would also reduce transaction costs for the Organization.

There have of course been comments about the possibility of a one year budget, and as we move into the debate in Commission II, the Secretariat will support your discussions in this regard.

There was also a comment made by Pakistan on behalf of G77 on the question of reserves and the financial health of the Organization. What I would simply like to say here is that in the PWB proposals, the figures that are put forward are entirely consistent with decisions that have already been taken by previous sessions of the Council. They fall into two categories, the first one being a partial replenishment of the Special Reserve Account, and the second one being the funding for the After-Service Medical Cost past service liability which were respectively approved by the Council in November 2006 and November 2005. Of course, this is a political decision and one that will be taken by you, the Membership, in the course of the next ten days.

The Representative of Cameroon mentioned the need for stronger partnerships, especially with the Rome-based Agencies. I would clarify that this is a priority area for efficiency savings where the Secretariat, during the next biennium, intends to collaborate very closely with the Rome-based Agencies and also one where the Organization is giving high priority to substantive collaboration starting with a mapping exercise which was alluded in the Programme Committee Report.

And finally with regard to your question on gender and women empowerment, I would defer to the more in-depth debate when the Gender Plan of Action is considered by Conference.

I would simply reiterate my commitment, which I said in my introduction and is a serious commitment, for the Secretariat to be of service to you during the discussions and in particular with regard to achieving a common understanding on the financial aspects of the proposal. I am available at any time at your convenience to provide further clarifications.

**Aamir Ashraf KHAWAJA (Pakistan)**

I have just taken the floor to reiterate that what we heard was a near unanimous endorsement of the maintenance budget, within certain nuances in some cases. From that point of view, the views expressed were within a fairly narrow spectrum.

**SECRETARY-GENERAL**

Just a short announcement, all Delegations to the Conference are kindly requested to deposit their credentials with the Protocol Office, A418, as early as possible in the Conference Session. This will allow Report of the Credentials Committee submitted to the Conference to reflect the situation accurately. Also this will allow the Secretariat to have as many credentials as possible.

**Habib AL ABDOUDI (United Arab Emirates)**

I would like to thank Mr Juneja for his statement.

I would like to repeat what I have said regarding the establishment of a Sub-regional Office in the United Arab Emirates, but this time I would like to say it in the English language in order to avoid any misunderstanding resulting from interpretation from Arabic.

My Government wishes to confirm the statement that was made during the last session of the Council in June 2007, concerning our commitment to host the Sub-Regional Office for the countries of the Gulf Cooperation Council and Yemen according to the agreed criteria.

We are currently working with the Secretariat to finalize the Host Country Agreement, including coverage of the full cost of this new office, as soon as possible. We hope, with your agreement, that this new Office will be operational in early 2008.

I would like to take this opportunity to express my appreciation to the countries of the Gulf Cooperation Council, as well as the regional groups and in particular the Near East Group and the G77 and China, for their support.

Finally, I would like to assure you that we will make all the necessary arrangements to ensure that the new Office will be able to work under the best conditions to achieve the objectives of the Organization and its Member Nations. I request the Council to approve the establishment of this Sub-regional Office in the United Arab Emirates in 2008.

*The meeting rose at 19:18 hours*

*La séance est levée à 19 h 18*

*Se levanta la sesión a las 19.18*





# COUNCIL CONSEIL CONSEJO

**Hundred and Thirty-third Session  
Cent trent-troisième session  
133° período de sesiones**

**Rome, 14-16 November 2007  
Rome, 14-16 novembre 2007  
Roma, 14-16 de noviembre de 2007**

**THIRD PLENARY MEETING  
TROISIÈME SÉANCE PLÉNIÈRE  
TERCERA SESIÓN PLENARIA**

**15 November 2007**

The Third Plenary Meeting was opened at 09:46 hours  
Mr Mohammed Saeid Noori-Naeini,  
Independent Chairperson of the Council, presiding

La troisième séance plénière est ouverte à 9 h 46  
sous la présidence de M. Mohammed Saeid Noori-Naeini,  
Président indépendant du Conseil

Se abre la tercera sesión plenaria a las 09.46  
bajo la presidencia del Sr Mohammed Saeid Noori-Naeini,  
Presidente Independiente del Consejo

### **III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS** (continued)

### **III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION** (suite)

### **III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS** (continuación)

- 9. Independent External Evaluation of FAO** (C 2007/7)
- 9. Évaluation externe indépendante de la FAO** (C 2007/7)
- 9. Evaluación Externa Independiente de la FAO** (C 2007/7)

#### **CHAIRPERSON**

Excellencies, Ladies and Gentlemen, we open our session this morning with Item 9. Good morning and welcome to this meeting of the Council Session. The Item in front of us is Independent External Evaluation of FAO, which as I mentioned is Item 9. The reference documents are CL 133/12, CL 133/12 Add. 1, and C 2007/7 A.1-Rev. 1, and C 2007/7 B. I hope that you have the documents in front of you.

I would like to remind you that our discussion on this item this morning has two major parts. The first part is receiving the report from the Council Committee and then we do have a second part which relates to the Friends of the Chair activities. So there are two separate parts; first we deal with the report itself and then with the Friends of the Chair activities after that. I first invite Ambassador Perry, Chairperson of the Council Committee for the IEE, to present the Report of the Council Committee and he will be followed by the Representatives of the IEE Team, who will present the Report of the IEE itself, which forms an annex to the Council Committee Report. Before inviting them to take the floor however, I would just emphasize the importance which the Governing Bodies have given to the IEE to help us increase the effectiveness of FAO in the service of all its Members. Ambassador Perri, my old friend, it is good to have you back here with us. The floor is yours.

#### **Flávio MIRAGAIA PERRI (Chairperson, Independent External Evaluation)**

Member Nations, Council Members, Members of FAO's Secretariat, Dear friends, it is always a great honour and a personal pleasure to be back with you in this room where so many decisions have been taken over the years. It is undoubtedly a pleasure to meet you.

However, for the last time in my present role as Chairperson of this IEE in the eternal city of Rome, allow me at the outset to be a little rhetorical by asking you: how strong are poor people? What are the weapons, those who suffer from hunger have? If we detach ourselves in this Organization from their sufferings in misery, the answer is no, except their moral strength. None, except very strenuous individual fight to stay alive. No, if they are not helped with the proper tools, to help themselves in overcoming their misery. Members of the Council, delegates from Member Nations, by phrasing Martha Washington, their lives depend on our dispositions and not on our circumstances. Three years ago, we made a brave start on the road to acquire new and renewed instruments of knowledge to augment the productivity of our work, and make our efforts as Member Nations more useful than they have been in the past. We accepted the premise that time was ripe for change. We all recognized that we had a most complex problem to tackle in the Organization which has been with us for some years now. With no strings attached, we recognized that we should abandon suppositions and that we needed evidence to work ahead.

As a matter of history, FAO was created for change during times of reconstruction. At its very inception, it was clear FAO's mandate is to raise the levels of nutrition, improve agriculture productivity, better the lives of rural populations and contribute to the growth of the world economy; and I quoted the very words of the Constitution. In other words, FAO should strive for

development, dedicating its work to overcome world poverty, malnutrition and famine through agriculture. Three years ago, we decided that the Organization created for change, should be examined to reassure its Members that it has assured that its mandate is being fully addressed. Three years ago, we felt that we had to understand FAO better. We were convinced that we needed a serious independent study based on evidence which could help Member Nations to find the proper path to modernization, updating the Organization in order to make it grow and produce more and better results for changing needs, new demands, and in particular, the urge for development in an environment which includes different groups of interests, which nevertheless, could aim in different ways at the same goals. We then came together in a surprising unity around the idea of an independent, external and comprehensive evaluation. It occurs that we have sense of what sense appears. That is Fernando Pessoa. Dear friends, we may now congratulate ourselves on having undertaken what has almost certainly been the most in-depth comprehensive and forward looking evaluation of a major international organization. We owe our thanks to the Evaluation Team, here represented by its Team leader, Liv Christoffersen and Keith Bezanson for having followed our instructions. They have done everything we asked and given the timeframe, they have done it extremely well. They carried out a thorough in-depth evidence-based review, and they have concluded on their recommendations for a way forward.

We owe our thanks to Management for responding positively. As a note of personal nature it seems to me particularly important in my final participation in this work to convey my thanks to the Director-General whose attention and interest in the work we have been doing encouraged me to proceed with confidence as Chair of the Council Committee for the IEE.

It is thus with a sense of great personal satisfaction that, as your Chair of the Council Committee for the IEE, I present to you the Final Report and its Annex, the Report of the IEE itself. I thank all of you who worked with me in the Committee to make this possible. We cannot forget to thank John Markie and his team for the extraordinary support they gave us.

It has been a time of understanding. We all profited from our own good will. I thank you for having been so kind with the Chair in the IEE Council Committee.

I know that times ahead of us will be more difficult because of the interests at stake. Nevertheless, my experience teaches me that we should try the utmost to negotiate without fear, leaving our own circumstances at the margins, even if provisionally, in order to navigate the mainstream which will naturally emerge during the exercise which you have just begun.

We should never ignore national interests, they naturally are in the forefront of each delegate's actions. It is our mission to defend them, but it will be imperative to differentiate national interests from personal opinions or group empathy. No secondary interests should take a front role, no small politics should prevail. "Time" in Ovid's words "devours everything" or as Lord Keynes preferred to put it "in the long run we are all dead". At the end of the process which is about to commence there should be no Pyrrhic victory won at excessive cost negating expected benefits for Member Nations, in particular those in the greatest need, for the Organization itself and for its policies and programmes. Taking into consideration differences in the level of development which certainly should differentiate treatment, the end result must benefit all parties involved.

The Council Committee for the IEE did its job and delivers it to the Council today as an opportunity for debate and a chance for advancement. I hope you could understand yourselves in the future along the lines poetically taught by the great English bard "By indirections find directions out."

I am very encouraged to see that you now have before you in a draft resolution agreed by the Friends of the Chair many elements of the road map forward for your consideration of the IEE. I am sure that you all will agree with me in praising the Independent Chair of the Council, Ambassador Noori, for his able conduct of the work of the Friends of the Chair. He has always known the way to produce consensus.

It is my fervent personal hope that any remaining differences on that resolution can be ironed out and that building on the IEE you can move quickly forward at the Special Session of the Conference next year to early "Reform with Growth".

At the outset of the new millennium, FAO's mandate is back on the map. Hunger remains a persistent problem, commodity prices are climbing, climate change is upon us and agriculture continues to be central. I feel that this is the opportunity presented to us to carry FAO forward for the benefit of all.

We have the results of a very comprehensive study, we have a thoughtful and, above all, welcoming response from FAO Management. Is this the moment to distrust each other? Should we remain paralysed or should we resolutely advance?

The important lesson I took from your attitude during the work we have just finished is of course that we cannot agree on every single idea or phrase, but we must recognize there is a potent road-map both in the IEE Report and in the management response.

Quoting again Fernando Pessoa, the greatest of Portuguese poets, "Hope for the best and for the worst, that sum of purposed wisdom speaks in this".

Colleagues in the eternal city "Carpe diem", seize the day.

#### **CHAIRPERSON**

Thank you, Mr Perri, for your strong words of encouragement. As we expected, neither you nor your Committee have disappointed us. We have been trying to do as you urged us. "Carpe Diem" saves the day. I will now give the floor to Mr Christofferson and Mr Bezançon, Team Members to present the Report. I believe that they will be making a short Power Point presentation. You have the floor.

#### **Leif E. CHRISTOFFERSEN (IEE Team Leader)**

The work of the Core Team has come to the end of the road. I wish to express my strong appreciation for the initiative that you took in starting the IEE process and for the continuing support that you have given us from the beginning to the end. In this regard, I wish to express my special thanks to Ambassador Perri whose wise and steady hand has been guiding us throughout the process. The FAO Evaluation Service has provided us with invaluable support. Once again I wish to express my thanks to the FAO Secretariat, including the Director-General, whose openness and cooperative spirit has been of major importance.

As you expected, it has been a challenging task, at times exhausting, but I believe that we have covered the work that you set forth in the Terms of Reference that you formulated. The Report is the end product that represents eighteen months of work, from April 2006 to September 2007. The full support of all six Core Team Members has more recently been once again reconfirmed by congratulatory messages from each of the four team members who are not here today. With me today on the podium is Keith Bezançon, the former team leader who, despite his health situation last summer, has been able to regain strength and he has played a major role in our work, in particular in formulating and writing the final Report. He will make a brief overview of the Report. Keith over to you.

#### **KEITH BEZANÇON (IEE Team)**

Thank you very much Leif, Mr Chairperson and my friend the Ambassador Perri and distinguished delegates, Ladies and Gentlemen. I am going to try to make a very brief presentation of this most lengthy Report of almost 400 pages. The Report as you know has a title called The Challenge of Renewal. That title was deliberately chosen by the team members to indicate our conviction that FAO does need renewal and deserves renewal. We also concluded that renewal is possible, but may I tell you we are under no illusion as to whether that will be easy.

This is a daunting task if the Organization is to recover its initiative and momentum for the twenty-first century. As our Report points out, most attempts at organizational renewal fail. The management literature tells us that seventy five percent to ninety percent of organizational transformation do not succeed. We suggest in areas in this Report, and I would refer you particularly to box 63 and to paragraph 933, that there are lessons we can learn from previous attempts at organizational transformation and we suggest that those efforts, those conclusions, should act as a guidance for FAO as it attempts its own transformation.

I will go over briefly now the background, the methodology and the main messages of the Report. Background. As both the Chair said and Ambassador Perri underscored, we were set a very, very ambitious task, and I quote from the terms of reference, we were to "chart the way forward" to make FAO fit for the twenty-first century". This is a most unusual evaluation, Ladies and Gentlemen. Most evaluations look back at what has been done and assess the performance against what the goals were stated in the past. This evaluation does that, but it does much much more because it was asked by your terms of reference, that you gave us to look to the future to chart a way forward and to be prescriptive. That makes it, we believe, one of the most ambitious, if not the most ambitious evaluation of any international organization that has ever been attempted and it asks us specifically to look at all aspects of FAO, not merely some of its aspects or its key aspects.

So how did we do this in methodology? We visited 23 Member Nations, including 23 developing countries. We undertook over 2 500 interviews in these countries, including here in Rome. We constructed 12 different questionnaires for different purposes and received over 3 000 responses which we analysed carefully to assure ourselves of their statistical validity and credibility. We commissioned 29 background papers on subjects in administration, subjects in finance, subjects in audit and subjects in the technical areas of FAO's work. We examined all prior evaluations done in the Organization including project evaluations. We compared FAO to six other organizations, including four within the United Nations family of organizations, to determine how it measures up in relation to those organizations. We went after our data very carefully to check its validity by checking it with many, many sources, that is called "triangulation", and we held ourselves up to external peer review as well. There were two quality assurance advisors who were asked to look at our work from beginning to end; Mary Chener Hessey who was the Deputy Director General of the International Labour Organization and is now is now the Senior Advisor to the President of Ghana and Robert Vanderberg, who is the Chief Evaluation Officer of the Global Environmental Facility. I am pleased to tell you that they have examined our work and they have said we have met the terms of reference completely and that the quality standards we set in this Report meet the highest standards of evaluation that are set for evaluations themselves.

So what are our messages and conclusions? Message one, as you know is *Reform with Growth*. Those are three simple and easy words, *Reform with Growth*, but they give, we think, a very, very powerful message. What they say to us is that we do not believe that reform is sustainable unless there is financial growth. We neither believe that financial growth is going to prove sustainable unless there are deep and sustainable reforms. Unless these two come together, one conditioning the other in a co-variant relationship, our judgement is that the political calculus required to move FAO forward will not be found. So the challenge is to put these two together, an adequate programme of reforms, deep and sustainable, with an adequate commitment to the financial growth required to fulfill and nurture those reforms. This as we know, is a very difficult political calculus, but we believe it is a calculus that is possible to meet.

The second message is a very stark and indeed sobering message. It is that FAO is in a serious crisis and if the crisis is not addressed, the future of the Organization itself, we believe, is imperiled. There are many factors that contribute to this, some of them are structural, some of them are organizational, some of them are of an administrative nature, some of them have to do doubtless with financial difficulties the Organization experiences, but the biggest contributing factor, in our judgement, is the low level of trust and mutual understanding that exists within the Membership itself, between Members and between some of the Members and the Management of

the Organization. If this trust is not restored and mutual confidence established, it is going to be very difficult to chart the way forward.

How serious is this crisis? Well one indication of it is the financial situation of FAO which we will see on the screen. The top line shows the total resources of FAO and these have declined from 1994 to the year 2007 by an amount of about 23 percent in real terms, and you will note a steady downward decline. The middle line are the regular contributions to the Organization, which have also declined over that period. The other lines relate to extra-budgetary funding, both those which are emergency and non-emergency, but the main message is the top line. The Organization's finances have declined significantly and consistently over the last fifteen years. This is a very serious situation indeed.

Message number three: this is the good news. If FAO were to disappear, we are convinced it would need to be re-established or large parts of it would need to be re-invented. Why do we say this? Because as we looked at what FAO has done, both recently and over time, our conclusion was quite clear and that conclusion is that FAO produces a range of goods and services that no other organization produces or is in a position to produce. In other words, FAO has a unique role on the international stage. We also found, however, that there are many areas where FAO is not merely spread thinly but it is involved in activities that are small, do not add up and lack strategic purpose or focus. It continues therefore also to dissipate resources in areas where it has little or no comparative advantage and where there is little or no impact. So the challenge is simply to build on the strengths and to deal with the weaknesses by either moving them out or strengthening them before it is too late.

Message number four: a transformation is required. It is not just a question of money, it is a question of a major change in the operational structure and its modus operandi. We believe that there are many core elements of success on which it can build and it needs to build. We also believe UN Reforms offer a unique moment of opportunity, incentive and momentum of which the Organization can take advantage, but if there is to be movement forward, there will need to be a new political compact on the transformation that is required and again the "Reform with Growth", where one will condition the other.

The fifth message is that FAO will need to set its sights much higher, raise the goal posts, if it is to stay relevant and effective. At the present time, FAO is engaged in many many small activities, unrelated, not strategically-coordinated, that do not add up. The Organization today is a deeply fragmented organization, both in terms of its organizational structure and in terms of its programme and focus. So we urge in this Report that it address in an integrated way, in a holistic way, and simultaneously, the needs of food production, access to food, livelihoods, income and policy capabilities, not to look at these as separate components but to look at them as the challenge of ensuring that there is adequacy of agricultural production and food security in the world and, in so doing, to accord much more attention to higher end items in the value chain, including support for agricultural-based enterprises.

Message number six: this will mean that strategic choices will have to be made. FAO cannot continue to try to do everything. It must, as the Director-General said in his own Reform Proposals, shed many areas where it no longer has comparative advantage or where it is sub-optimal in terms of its capacity to deliver. Strategic choices must be made. It is not adequate to muddle through, which is the approach which has been taken in recent years. Every time the Management brings a PWB over the last several biennia, it is clear that there is not enough money to do everything, so what is done is salami slicing; items are shed down, everything gets less, sub-optimal purpose, sub-optimal delivery. This muddle through strategy is a prescription for marginalisation and ultimately for institutional irrelevance. So muddle through is not an option; unless strategic choices are made, the future of the Organization will indeed be bleak. FAO also will need to become more flexible, while of course remaining responsible for the funds which it holds, which are public funds, but it must break out of its risk-averse culture.

It has been very slow to change, very slow to adapt to the changing world. It has a heavy bureaucracy and rigid procedures and systems and these reduce its effectiveness, and its highly

centralized organizational structure and culture results in a risk-averse attitude and approach to work within the Organization, so it must become more flexible and less risk-averse. It must do the things where it has comparative advantage but it must facilitate in other areas.

FAO is the only global organization in food and agriculture. That does not mean it delivers every food and agriculture product, but it means it must know where those products are and that is therefore its job as facilitating access rather than giving access itself. Those two roles, doing and facilitating, will require clear strategic purpose and strategy. And finally, it must strengthen its role in global governance; it must speak to the large issues that determine human security, food security and the well-being of individuals, as Ambassador Perri was saying, in terms of their access to food, their income levels and their security in their own communities. All of this will require a major culture shift in FAO.

Next message, the governance, I am afraid to report, of FAO is weak and it is failing. The first responsibility of a Governing Body is to ensure that an organization has a strategic direction which is sustainable; the second requirement of a Governing Body is to ensure the alignment of means to ends. You may not approve objectives unless the means are there to fulfill them. FAO currently does not have either; it does not have a sustainable Strategic Framework, neither does it have the means to ends aligned. The resources are inadequate to its purposes. There is also a deep blurring of the roles between the Secretariat and the Governing Bodies as we point out in this Report, and the role of FAO in dealing with the global issues of agriculture and food security are going is far too weak at the moment and needs to be strengthened.

Message eleven: FAO has the means on which to build. It has a talented and committed staff that are currently discouraged and deeply fragmented by the structures of centralization in the Organization.

At the same time, message twelve: we found that there is a willingness to change. One of the questions in our staff questionnaire was very simple; *do you believe that FAO requires a profound structural management and transformational change to be effective in the twenty-first century?* Ninety-four percent of FAO staff answered strongly agree. Ninety-four percent want to see change. The next question is *do you believe that that change will come?* And the answer to that was ninety-four percent, no, strongly disagree.

This is a dangerous dislocation between what people are prepared for and their belief as to whether it can happen. And the reason they believe it will not happen is that they do not believe within the staff that there is sufficient political will to put this together so that the transformation can occur and can be sustained.

Message number thirteen: many ask if there is room for further efficiency gains in FAO and we believe our report shows that to be unequivocally the case. FAO's bureaucracy needs to be reduced, its procedures streamlined, and its organizational structure streamlined. The current malalignment of relationships between its Country Offices, its Regional Offices and Headquarters need to be corrected. We believe that these things are done and we believe the evidence in this Report substantiates that, that there can be major efficiency gains for FAO.

Message fourteen: we found that in many quarters FAO has a bad name as a partner. When you mention FAO, they say it is not a willing partner it does not work with us well. But that is no longer true. When you look at the facts this is outdated; this existed twenty years ago, but FAO has worked very hard to form partnerships and we found, by and large, that the Organization is an effective partner. In many areas it struggles to be a partner and is not an effective partner through lack of resources. So there is a very different message from the message that FAO is a bad partner; it is generally a good partner, but it struggles for its partnerships because of resource limitations.

This takes us back to our first message which is our last message: Reform with Growth. Unless that political calculus is found that can sustain growth and reform then the transformation for FAO will continue to prove allusive. Ambassador Perri in his introductory remarks asked the question, should we remain paralyzed? We hope the answer to that is no. So what do we suggest?

We suggest an action plan, as you know, which you will deliberate on and decide over the next few days. We suggest an immediate action plan, three to four years with clear benchmarks, clear milestones, clear points for achievement, we suggest that this be involved a joint effort by Management and the Governors of the Organization, the Governments, the Members, in order that there is a mutual buy in, a mutual sharing of the purpose and mutual ownership over what is then agreed and a mutual tracking of what is agreed in order to measure achievement, and this will require nothing less than a new political compact.

So what we have, we have in this Report many components that require attention. The top one, strategy; FAO needs a new strategic framework to move forward aligning means and ends. Systems; it needs to reduce its bureaucracy, streamline its activities, reduce its hierarchies and integrate its systems of delivery. It needs structural change, including very much the relationship and the structures between Headquarters and its Field Offices.

If those things happen, then you get virtuous circle of cultural transformation and cultural change; if you deal with one of these only and do not deal with them in an integrated basis, the experience shows, and we think it is amply demonstrated in this document, that transformational failure follows, so this needs an integrated holistic approach. At the governance level, governance looking down into the Organization deeply and better, and looking out to the global governance role, and we have an entire chapter in the document on this.

If you look at this lengthy report of 400 pages, it essentially can be reduced to three questions. We were asked question one - does the world need FAO? - and we have answered this question with a resounding yes.

In our minds there is no doubt, for the reasons mentioned; FAO produces goods and services that no other organization can or does produce, or will be equipped to produce in the near future. The world definitely needs this Organization.

The second question - does FAO need to change to be "fit for the purposes and challenges of the Twenty-first Century"? - and to that we answer yes, it needs to change. If FAO continues on its current course and its current projectory, we believe it will be increasingly marginalized and ultimately irrelevant, so we believe the answer to question two is yes, change is required.

Question three - what needs to be done? - well this Report contains over 100 recommendations and over 300 suggested deliverables, so we think a great deal needs to be done and that takes us back to the clusters we suggested, those three areas - the areas of structure, the areas of process, and so on and so on.

So finally, we think we have done our job and we turn it over to you for your deliberations with the following two questions. Do you really want the kind of transformational change that will equip this Organization for the Twenty-first Century? Because if you do, there is a lot of work that will need to be done; a great deal of sorting out of priorities, of purposes, and the alignment of means and ends. And that if that answer is yes, then the second question is obviously can you forge the political will, the connection, can you breakdown the barriers required to get that done.

We, the members of the Evaluation Team, sincerely hope the answer to both these final questions will be yes.

#### **CHAIRPERSON**

I thank Mr Christoffersen and Mr Bezançon for the brief introduction, but very interesting introduction and I share your view that hopefully the answers to both questions are yes.

I would like to invite Mr Harcharik, who will represent the Director-General to introduce the Management Response "In Principle".



## **DEPUTY DIRECTOR-GENERAL**

The Independent External Evaluation is a major historical milestone in the life of this Organization, and it is also an opportunity to make FAO better fit the complex challenges of this century.

The IEE comes at an especially apt time. As the Director-General indicated yesterday, agriculture is back on the world agenda. The world faces the challenges of feeding 50 percent more people by 2050 from a diminishing land and water resource base, and in an environment increasingly threatened by climate change, hence more than ever before, the world needs a strong and effective FAO. We in the Secretariat, Management, strive for an outcome of the IEE that will be a catalyst for further change in the Organization.

Following intensive internal consultations since August, and I can assure you that there were intensive discussions amongst the Secretariat and also with the IEE Team, the Management response, in principle, includes five central points.

First, our overall reaction to the Report and its findings is very positive. I do not how I can say this stronger without repeating it over and over again, and you have heard it several times from the Director-General. It has not always been easy, believe me, to accept these recommendations. But we do very much want this Organization to be better, more effective and to have a greater impact of solving the problems of world hunger. So yes, our overall reaction is very positive to this Report. Of course, many recommendations, especially those relating to the governance of the Organization, are for you the Membership to decide. We in the Secretariat will be ready to assist you in whatever type of discussions or processes that you put in place to deal with these complex governance recommendations.

Second, we support the IEE's principal conclusion on the need for reform with growth. Mr Bezançon was right in saying that these are easy words, but when you think about them, they imply a shared responsibility. Reform means changes in the Secretariat. You can help but there is a lot that we in the Secretariat need to do on that. Growth is largely your responsibility, to provide the resources. So yes, we believe in reform with growth. We also appreciate the conclusion that a financial baseline for 2008-2009 biennium should be set at not less than Zero Real Growth. That is the IEE conclusion. In fact, the Management response cautions that previous reform initiatives in the Organization have been hampered by the lack of resources, and that past attempts to build consensus on priorities were less than fully successful because of decreasing budgets. In a different budgetary environment, it should be possible to ensure re-programming, better priority-setting and linking of the aims to the means by consensus. We agree that the aims should focus on the three agreed goals of the current strategic framework, and yes, this strategy needs to be updated. One should keep in mind, though, that the current strategic framework was something that was done jointly by Secretariat and Management.

The three goals are: overcoming hunger and malnutrition, promoting agriculture as a contribution to economic and social development, and the sustainable management of the natural resource base for food and agriculture. They remain very relevant today.

Third, we acknowledge that resources are not a panacea. The Report contains sharp criticisms. For those addressed to Management, let me assure you that we see them as constructive pointers for further improvements to the functioning of this Organization. We are convinced that these recommendations merit introspection, analysis and action.

Fourth, there is an unequivocal commitment from Management to implement any changes, however far-reaching they may be, which will be decided by you the Membership, for these will be the building blocks for the renewal. We will support preparation and consideration of an action plan by the proposed Special Session of the Conference next year. And we welcome the objective of formulating an ambitious, and yet very realistic, plan in a most expeditious manner.

Fifth, we intend to take early action on several recommendations of the IEE, especially when such actions fall under the authority of the Director-General and have no resource implications. We simply need to move forward on those things that we can do right now. These are indicated in boxes in the text of our Management response. There are also some early actions listed that have resource implications for one-time costs not foreseen in the maintenance budget presented in the PWB. These are in line with the tentative costs outlined in the IEE Report itself.

In conclusion, Management's response to the IEE is positive and we have tried to be forward-looking, providing a staunch commitment to an adequately resourced process of transformation with sound oversight from the Governing Bodies. It is the most sincere hope of Management and staff that the IEE leads to a constructive outcome at the Council and Conference: an outcome that results in a better, stronger, more effective FAO, more able to help overcome world hunger.

### **CHAIRPERSON**

Thank you for the positive remarks and the strong remarks. As usual they have been very helpful and we share the same wishes as you, that we can make an FAO which fits the 21<sup>st</sup> Century.

With this I would like to open the floor for your comments and questions, but I would like to again remind you that here first of all, we are not discussing the contents of report because we will have plenty of time to do it during the next year. Secondly, we are not discussing the arrangements in which we are following the Friends of the Chair. After this, we will go to that. For the time being, the Report which was presented is open for your questions, comments and discussions and remember that we can follow these also in Commission II of the Conference in a few days, so you might be brief in your discussion here in Council. With this the floor is open and I do have already Germany, India, Sweden and Mali, Egypt, Japan.

I will start with Germany.

### **Hans Heinrich WREDE (Germany)**

Of course, there is freedom of speech in spite of your recommendations and I would like to ask your permission, Germany belongs to the European Union, to pass the floor to our distinguished colleague from Portugal, speaking on behalf of the European Union.

### **Antonio DUARTE DE ALMEIDA PINHO (Observer for Portugal)**

I am speaking on behalf of the European Community and its 27 Member States, The candidate countries to the EU, Croatia and Turkey, associate themselves with this statement.

If you allow me, I would like to present our warm greetings to our common friend, Ambassador Perri and to the members of the Core Team of the IEE. The Membership welcomes the IEE Report and commends the Core Team and the Quality Advisers for their excellent work. We share the clear messages of the comprehensive Report presented and the analysis of the current situation of the Organization. We welcome the recommendations and the measures proposed, as reform with growth, that should serve as the basis for action to be taken at all levels.

We also welcome the Report of the Independent Chairperson of the Council on the recommendations of the Friends of the Chair on the IEE follow up. We commend the huge effort undertaken by the Friends of the Chair under your able Chairpersonship. The result strongly demonstrates the commitment and the willingness of the whole Membership to proceed constructively in the reform process of the Organization, within a time-bound framework.

Although the Friends of the Chair could not completely finalize their work, we believe we are almost there. We understand the importance not to lose any momentum in the process. We, therefore, think it would be advisable to include a timetable in order to organise the work of the Conference Committee. We thus encourage you, Mr Chairperson, to continue your valuable efforts to overcome the outstanding issue. The EU is prepared to continue to work closely with you the most positive spirit so as to conclude our work in due time.

**Ranalingam PARASURAM (India)**

India speaks on behalf of the G77 and China Group. It is nice to see Ambassador Perri back here before us, along with Mr Christophersen and the members of the IEE Core Team.

The Membership has been engaged in intensive discussions on how to consider, analyze and accept recommendations in the Report of the IEE Core Team, along with the Management response provided by the Director General. We are all aware of the core mandate of FAO, the challenge world agriculture faces today, the need for recognizing the contribution agriculture can make for reduction of poverty in the rural areas and for creation of sustainable livelihood.

The challenge before the Member Nations now is to use the IEE Report as the input that facilitates comprehensive reforms at the FAO, for it to fulfill the needs of the Member Nations in the food and agriculture sector.

We complement Ambassador Perri, Mr John Markie and others from the Secretariat who facilitated the conclusion of the evaluation exercise.

The G77 and China Group is committed to engage further during 2008 along with other delegations to take to the Special Conference a set of recommendations of agreed outcomes. This has been our endeavour in the Friends of the Chair, and will be so at the Conference

**Christer WRETBORN (Sweden)**

Sweden now speaks on behalf of the Nordic Countries, Denmark, Finland, Iceland, Norway and Sweden. The Nordic Countries align themselves with the statement made by the Presidency of the EU on this point on the agenda.

The Nordic Countries welcome the Report of the Independent External Evaluation (IEE). We support the assessment of the Council Committee of the IEE that the IEE Report fully meets its terms of reference. It gives a clear picture of an organization producing highly valuable services for which there are no alternatives. However, the IEE also gives a picture of an organization in need of urgent reforms. In our view, the guiding principles of reform with growth are appropriate.

This is a golden opportunity to reform FAO. We have now support for the reform of FAO from Member Nations and the Governing Bodies, as well as from FAO Management and personnel. The momentum must not be lost.

Therefore, the Nordic Countries would like to compliment Mr Christoffersen and Mr Bezançon as well as the whole team for their excellent work. The Nordic Countries have acknowledged the signals given by the Report, and share its analysis of FAO's present situation. In our view, the findings of the Report are well-founded.

We would also like to welcome the Management response. It shows that the management is prepared to engage in the reform process. We encourage management to present, as soon as possible, a plan of how to implement the earlier actions.

We would also like to thank Ambassador Perri for his excellent work during the evaluation process. Ambassador Perri decided at a very early stage to follow the idea of an open and transparent process. This decision has brought about a confidence and ownership among Member Nations.

The Conference now has the opportunity to take a decision on the way forward. An important objective of the Conference must be to agree on a Resolution setting the stage for the implementation of the proposals and the recommendations of the IEE.

The work on Draft Resolution done by the Friends of the Chair is nearly finalized, and has been conducted in a positive and proactive manner.

In this context the Nordic Countries would like to underline the importance that the IEE process continues to be open and transparent also in the future. This will ensure future ownership by FAO Membership. Until now the process has been carried out under severe time constraints. In spite of

these circumstances, the final result is admirable, showing that efficiency can be compatible with openness and transparency.

The Nordic Countries will engage actively in the forthcoming process to achieve a strong and efficient FAO.

**Ibrahim Bocar DAGA (Mali)**

Après l'intervention du Représentant du G77 à laquelle nous adhérons complètement, je voudrais au nom du Groupe africain remercier très sincèrement notre ancien et toujours collègue M. Perri pour l'investissement personnel qu'il a mis dans la réalisation de cette Évaluation externe indépendante. Nous devons aussi remercier et féliciter tout naturellement le Président indépendant qui comme d'autres l'on dit avant moi, est l'homme qui est là au moment où il faut, c'est-à-dire au moment où il faut essayer de trouver les convergences et trouver les consensus. Il faudrait saluer cette équipe d'Évaluation qui a été au labeur. Nous devons reconnaître le travail intense qui a été fait à telle enseigne d'ailleurs, lorsque nous avons reçu le rapport provisoire on s'était dit qu'il y avait beaucoup de choses mais finalement ils ont trouvé le moyen d'en rajouter encore en nous donnant un volume de plus de 400 pages essentielles. Il faut saluer leur volonté et leur acharnement au travail.

Monsieur le Président, nous nous sommes tous engagés dans cet exercice il y a trois ans. C'était un exercice de vérité. Certains au début étaient un peu lents mais je crois qu'il faut reconnaître que l'ensemble des États Membres ainsi que le Représentant ont fini par y adhérer très profondément. Cela nous a amenés au résultat que nous avons aujourd'hui. Mais on n'aurait pas obtenu ce résultat si nous n'avions eu aussi la participation entière de la Direction de la FAO. Il faut qu'elle en soit remerciée et félicitée. Rarement la Direction a réagi à une Évaluation externe indépendante avec autant d'humilité et de courage.

Maintenant, Monsieur le Président, puisque vous nous dites que nous avons encore à revenir sur les travaux, bien sûr, des Amis du Président et les recommandations que les Amis font à l'ensemble du Conseil et de la Conférence, nous allons être brefs mais nous les tiendrons certainement.

Quand l'Équipe nous dit que si la FAO n'existait pas il faudrait la créer, je crois que l'Équipe a tout dit et elle justifie parfaitement notre présence dans cette enceinte.

Nous observons que ces dernières années il y a eu une baisse de l'intérêt tendanciel porté à l'agriculture. Toutes les institutions de financement de développement à un moment donné, comme par hasard, ont freiné pour ne pas investir dans le secteur agricole. La FAO qui est l'Organe par excellence dédiée à ce secteur ne pouvait qu'en pâtir mais Dieu merci depuis quelques temps cela reprend et nous osons espérer que cette tendance va continuer à la hausse.

Cette volonté de changement que nous appelons, l'Équipe l'a reconnue, et je crois que cela dépend de nous. La FAO est dans l'état où nous nous l'avons mis. Il est temps que nous prenions nos responsabilités car nous sommes la FAO. En fait, tout ce qui est fait comme critique objective, subjective mais s'adresse aux États Membres. Je crois que le Secrétariat est un Organe de gestion mais c'est nous ici, dans cette enceinte qui décidons de la politique à suivre de la FAO. Cela fait un certain temps personnellement que je suis là, et cela ne m'est jamais arrivé de voir une instance dire que la FAO ou son Secrétariat n'a pas respecté telle ligne tracée par les Organes directeurs. Donc, je crois que nous devons prendre conscience si nous le voulons. Ce qui nous a manqué ici, c'est la volonté politique. Je suis l'Équipe d'évaluation en disant: "nous devons oublier nos drapeaux respectifs, nous devons penser pourquoi nous sommes là et nous devons penser surtout à ce que nous proclamons. Quand on vient à la FAO on proclame qu'il y a des centaines de millions d'affamés qui n'ont pas à manger, qui dorment la nuit sans manger" mais il ne suffit pas seulement de le dire, il faut aussi l'avoir dans le cœur et je crois que si nous avons cette volonté nous trouverons la solution pour que la FAO puisse remplir sa mission. C'est la raison d'être de la FAO et nous aussi, c'est notre raison d'être ici et d'installer la confiance de nos peuples respectifs.

**Mohamed Ashraf GAMAL ELDIN RASHED (Egypt) (Original language Arabic)**

I am speaking on behalf of the Near East Group and obviously we support what has been stated by the Representative of India on behalf of the G77 and China.

I think it is quite clear in the light of what has been said by our colleagues, and most recently by the Ambassador of Mali, that we all agree on the importance of the role that is played by this Organization that has been corroborated by the last events regarding food security and agricultural production.

We obviously would like to welcome the Independent External Evaluation and the recommendations it contains regarding the empowerment of this Organization so that it may best respond to the growing need of its Member Nations. We also welcome the response made by Management, the response in principle, and we obviously welcome the hope that lies behind all this work.

Obviously this entails the support of all Members; that of the management, as well as that of the Members, if we are to find a consensus and a common denominator for us all, so that we can come forward with a plan of action that we can all support and that would claim a clear vision of how we could strengthen the Organization's role and its objectives so that we may achieve these goals which we all respect and support.

**Seiichi YOKOI (Japan)**

First, Japan appreciates the hard work of the Independent External Evaluation (IEE) team for its comprehensive report on FAO reform.

Japan thanks Ambassador Perri for his leadership as the Chairperson of the CC IEE.

Japan has been insisting on FAO reform to make FAO a more efficient and effective organization.

Japan appreciates that the report of the IEE contains many valuable recommendations, while each component of the IEE Report should be fully considered by the Member Nations.

In this context, Japan believes it is essential that Member Nations have intensive discussion with the appropriate involvement of the Management to reach agreement on what to do and how, towards renewal of FAO. The momentum must be maintained.

Japan strongly commits to actively participating in IEE follow-up discussions to realize a new FAO, which provides its Member Nations with necessary services in an effective and efficient manner.

**Dato' Zulkifli Bin IDRIS (Malaysia)**

Malaysia commends the initiative of the Independent Chairperson of the Council in convening the meeting of the Friends of the Chair on the Independent External Evaluation and in drafting the Chair's points towards agreement on the elements of a proposed Conference Resolution on IEE follow-up. In this respect, Malaysia supports the G77 position regarding the Chair's draft points. We also express our support for the mechanism of the Friends of the Chair to continue with the process of transforming the recommendations of IEE FAO into an action plan for consideration by the Governing Bodies.

We also commend the IEE Core Team for having successfully completed the final report on time, with more than 100 recommendations and over 200 suggested actionable outputs aimed at strengthening the Organization for the benefit of its Members. We note that the Core Team of IEE had carried out their tasks independently and in an unbiased manner. This is a good and hopeful sign and we urge Member Nations, in their sovereign wisdom, to adopt and implement recommendations beneficial to the Organization. However, it is necessary for Members to study the cost of implementing the recommendation which should be reflected in the Programme of Work and Budget 2008-2009. This is because, the recurring biennial costs for implementing the recommendations is between US\$15-50 million. In addition, there is also a one-time cost of

between US\$60-75 million. This would inflate the PWB 2008-2009 to as much as between US\$60-95 million.

Malaysia also commends the Director-General's Management Response "In Principle" which provides inputs for Members' decision-making on the improvement and strengthening of FAO. In view of this, my delegation supports the establishment of a Joint Working Group to be held next year to analyze and utilize the insights and recommendations of the IEE to build a stronger, more efficient, effective and relevant organization in the 21<sup>st</sup> century. We would like to propose that before the Joint Working Group meets, the recommendations and suggested actionable outputs be debated at the Regional Conference to enable participation of more Members, and to seek how best to adopt the recommendations at the regional and sub-regional level.

In this respect, we wish to see that the Organization should remain as a multilateral international body to promote agricultural and rural development. Priority should always be given to promote capacity-building and technology transfer through field programmes for the achievement of the World Food Summit and Millennium Development Goals.

**Sra. Isabel Cadima PAZ (Bolivia)**

Mi delegación quiere unirse a lo expresado por India en representación del G77, a lo cual adherimos completamente. Sin embargo, no queremos desaprovechar la oportunidad para agradecer efectivamente al Embajador Perri, que nos acompaña en esta oportunidad y que ha llevado tan bien los trabajos de la Evaluación Externa Independiente. Consideramos que los trabajos efectuados por el equipo han sido serios y están dando muchos elementos de análisis a los Países y que tenemos mucho para discutir y mucho en qué acordar para lograr que la Organización cumpla los objetivos para el Siglo XXI.

También queremos expresar que este trabajo, que ha sido realizado por el equipo de evaluación externa independiente, ha permitido a los países de adoptar como propio el proceso de cambio que deberá surgir en esta Organización y con el cual mi delegación está particularmente comprometida. Consideramos que el plan de acción, que los Países Miembros deberán discutir en los próximos meses y que seguramente también se deberá discutir en el equipo de amigos del Presidente, será un proceso positivo para la FAO misma.

**Lee A. BRUDVIG (United States of America)**

Canada is now at the seat, and I would like to defer to Canada to deliver the joint North America statement.

**James MELANSON (Canada)**

Canada delivers this statement on behalf of the North America Regional Group.

We have arrived at an important moment in the process of this Independent External Evaluation. Having arrived, we think it is useful to reflect back briefly on the road that we have travelled in getting here.

Almost three years ago now there began an active discussion among Members of the Organization on the possibility of an external evaluation. None of us were expert in how to mount such an exercise; indeed we learned as we went along that there really was not a precedent for such an ambitious undertaking. That was no deterrent, however. There was universal agreement in principle that an evaluation would help us address a number of issues that had featured in our discussions for some time, issues for which we felt a more thorough evidence base and global perspective and injection of new ideas might help us move forward.

Having taken a decision in principle, we were surprised to learn how much work actually starting an evaluation entailed. But we collectively rolled up our sleeves and got into it. We mounted a governing committee, authored terms of reference, set criteria and selected evaluation consultants, built a budget, put in place a quality assurance mechanism, accepted an Inception Report, monitored the progress of implementation, undertook necessary mid-course adjustments, received a final report and verified its compliance with its terms of reference; all this within demanding

timeframes. We did it, and we did it together. We have produced arguably the most comprehensive evaluation report resulting from the most ambitious process yet undertaken in the multilateral system.

Thanks are due to many for having assisted us in getting to this stage. The Director-General, Management and staff of the Organization have, as acknowledged by the Core Team, played a superb facilitating role. All of us who have worked with him cannot help singling out the exceptional and untiring efforts of John Markie, Chief of the Evaluation Service. Our Core Team and Quality Advisers have served as well as we had hoped when we selected them. We had exceptional leadership from the former Ambassador of Brazil, our colleague, Flávio Perri.

What appeared to us three years ago as an end point, however, we are now beginning to realize is only a new starting point. The work ahead is at least as great as the work behind. We have over 100 recommendations addressing governance, strategy, programme priorities, institutional culture, management systems, Headquarters and Field structures and arrangements among others. We also have a very constructive Management Response in Principle from the Director-General to inform our thinking on these matters.

Before I discourage us all with further contemplation of the work that lies ahead, let me say only that the North America Regional Group commits to engaging in the proposed Conference Committee and Working Groups and to producing the outputs that are expected of them by the November 2008 Special Conference. We will do that in the same constructive spirit that all Members in this room have exhibited over the past two years.

We would also like to second the earlier reference by the European Union for a Conference-approved set of milestones and benchmarks to guide us in this work.

**José Antônio MARCONDES DE CARVALHO (Brazil)**

I also would like to strongly support the statement made by India on behalf of the G77 and China.

At the outset, I would like to join previous speakers in expressing our heartfelt gratitude to Ambassador Perri for his leadership during this phase of the evaluation process. The firm and wise way he conducted our deliberations at the CC IEE were fundamental.

On behalf of the Government of Brazil, I would like to thank all delegations for the confidence entrusted to my distinguished predecessor, as a Brazilian Permanent Representative at FAO. Flavio, thank you very much. You did a great job which does not surprise those like me, who are acquainted with your vast list of achievements in the service and elsewhere.

My gratitude also goes to the Team Leaders. Through its leader, I would like to convey my deep thanks for their work.

I would also like to stress the appreciation of my delegation to the Response "In Principle" by Management, and the work and support so far in this process of evaluation, which we are certain and indeed count on its continuation.

I would be remiss if I did not mention how encouraged my delegation is feeling for the words of the Director-General yesterday and those of the Deputy Director-General this morning. The commitment and this renewal from the Director-General and Senior Management and staff is indeed encouraging.

We have come to the conclusion of one phase of the work. The evaluators have done their job, the job we have commissioned them to do. Now it is time for the Membership to consider their input thoroughly, analyse their implications and deepen the understanding, and also complimenting what was also suggested in areas the evaluators did not touch upon. We have already taken significant steps, under your guidance, to set up an open, transparent, democratic and participatory process for this consideration.

Brazil is strongly committed to this process of making FAO better fit for the demand of its Membership and the challenges ahead of us.

Ambassador Perri, in his thought-provoking remarks this morning, called our attention to the need of the membership to renew the Organization to allow it to address and fulfil fully its mandate. It is indeed time for change, change for a renewed and stronger organization. This will be the beginning of a long and laborious process for Membership and the Secretariat.

I have no doubt that if the Membership is capable of leaving procurable interests aside, we will be able to conclude with a balanced, comprehensive package of measures, aiming to make FAO the organization that we have all envisaged it to be and fulfilling the expectations of its entire Membership.

**Ms Judy BARFIELD (Australia)**

Australia welcomes the final report of the Independent External Evaluation of FAO and the many positive findings regarding the role and achievements of the Organization. We agree with the key assessment that FAO is needed and fulfills a unique role in the global governance framework related to food and agriculture. We are persuaded by the reports thesis that urgent change is need to make FAO more fit for purpose in the Twenty-first Century.

The report articulates many challenges for the Organization which merit detailed consideration, particularly with regard to management and governance. Importantly, it describes a broad range of possible responses to address the challenges and provides a thorough diagnosis of the problems facing the Organization and prescription for a way forward. It rightly takes a fresh look at FAO.

Australia also supports the Chair's efforts and hard work in progressing the Draft Resolution. We support the approach taken in the Draft Resolution. We also support the inclusion of milestones in the Resolution, as mentioned by the EU and Canada on behalf of North America.

It will be important for continuing support from the entire Membership for the reform process, including a clear commitment to the diagnosis, findings and recommendations of the IEE Report.

It will also be important to get a commitment from management to immediate reforms within its own authority and mechanisms to measure this performance in 2008. This approach will assist Governments to make the proper analysis and provide confidence for the post-2008 period.

**Syed NAQUIB MUSLIM (Bangladesh)**

My delegation finds the report informative, suggestive and, I will say, educative. It contains the academic value also for introducing the growth and reform paradigm, which is useful for all of the countries that we are representing here. We do not find anything to disagree with.

The Report revealed the conceptual and operational dimensions of FAO activities and the potential barriers FAO will face in fulfilling its mandate.

You will definitely agree that FAO is composed of the subsistence in the Country Field Offices, which are really facing certain resource constraints. For example, my country's FAO Office is under-staffed and it has resource constraints in terms of both financial and human resources. The Representative was telling me that we cannot take new programmes, which Bangladesh needs, being one of the LDCs.

Bangladesh recently faced two successive floods, and FAO came forward to help Bangladesh carry out the flood-rehabilitation programmes by mobilizing US\$10 million from donor agencies.

In Bangladesh, FAO is committed to helping our farmers in producing quality seeds and also producing a high variety of crops.

In carrying out the activities of FAO, my delegation suggests that it has to practice three institutional values. These values coincidentally match the FAO acronym: facilitation, accessibility and openness – that is also FAO.

The evaluation work is always an unpleasant job because we have to identify the pros and cons, ins and outs. Still, the Report, as you have presented it, is so sound that we cannot help appreciating its conceptual, academic and operational significance.



**Moungui MÉDI (Cameroun)**

L'Inde et le Mali ont présenté respectivement des déclarations pour le Groupe des 77 et l'Afrique et nous sommes totalement en symbiose avec ces déclarations. Quant à la délégation du Cameroun, elle est heureuse de l'aboutissement du processus de l'Evaluation externe indépendante de la FAO qui a commencé il y a à peu près trois ans. Cher Président, la route a été longue, tumultueuse, mais au-delà de tout, c'est l'esprit d'équipe et d'appartenance à la même communauté internationale qui a prévalu. Permettez-moi donc de dire combien le Cameroun est content et a été content de travailler dans le contexte de cette évaluation sous la bonne coordination de l'Ambassadeur Perri en sa qualité de Président du Comité du Conseil pour l'EIE. Ambassadeur Perri, vous avez toute la sympathie du Cameroun et vous allez rester dans l'histoire avec cette évaluation, nous sommes convaincus. Monsieur le Président, vous avez aussi suffisamment été inspiré vous-même.

Ambassadeur Noori, dans vos consultations informelles dans le cadre du cercle des "Amis du Président", qui n'était pas un cercle fermé, mais plutôt ouvert, où nous avons tous pu participer et avec ce processus, vous avez voulu faciliter des accords avec les Membres de l'Organisation. Pour cela, Ambassadeur Noori, nous vous sommes aussi parfaitement reconnaissants, pour votre engagement à ce travail. Maintenant nous avons de la matière dans le rapport de l'Evaluation externe indépendante, soumis par l'équipe. Une équipe, qui au delà de tout méritent nos félicitations, de par la qualité du rapport qui a été produit. Nous nous félicitons aussi de ce que le Secrétariat ait favorablement reçu le Rapport et ses recommandations tel que le montre le Management Response "in principle" que nous avons reçu et également l'intervention, ce matin, de Monsieur Harcharik que nous avons beaucoup appréciée, qui a commis entièrement l'Organisation au suivi des recommandations de ce Rapport. Désormais, Monsieur le Président, la balle est du côté des Membres. Le Cameroun, quant à lui, prend l'engagement de travailler d'arrache pied avec les autres Membres de l'Organisation pour que la mise en œuvre du principal message du Rapport, à savoir la réforme dans la croissance, soit effective dans les meilleurs délais et que ce ne soit pas encore une nouvelle rhétorique. Nous avons, comme je l'ai dit plus haut, du pain sur la planche, à nous de travailler.

**Sutarto ALIMoeso (Indonesia)**

First of all, Indonesia would like to acknowledge the Report of the Independent External Evaluation and express its appreciation to the IEE team for their hard work. Indonesia would also like to take note of the Management Response that was prepared by the Secretariat, noting the time constraint faced by the management in preparing this document. In this respect, Indonesia expresses its appreciation for the effort that the Management has taken.

Indonesia believes that each and every Member Nation of FAO wishes to make FAO an organization which is responsive to the needs of its Members and, at the same time, able to respond to the ever-emerging challenges, to the efforts in agriculture development, food security and poverty alleviation.

Indonesia shares the view of the IEE team that the problems affecting FAO today can be solved, but this can only be done when all the Membership and the Secretariat join hands in a common spirit to this end. The report of the IEE and the accompanied Management response have to be studied in their entirety. In so doing, the preference should be given to avoid the cherry-picking exercise which will only be detrimental to the common efforts that need to be undertaken.

The task we are facing is a very big one and necessitate us to have more vigour in our deliberation and discussion.

Indonesia would like to express its readiness to work together with all the Membership in seizing this momentum to make FAO fit for the Twenty-first Century and the challenges ahead.

**Pinit KORSIEPORN (Thailand)**

Thailand welcomes the IEE Report and the positive Management Response, as well as the two information notes. These are the important tools and balanced inputs which require careful review

from the Member Nations for the most appropriate renewal and adaptation of FAO to best respond to the needs of the Member Nations.

Thailand joins the statement made by India on behalf of the G77 and China.

With regard to further activities, from now on, it is necessary to outline timeframes for each activity.

Finally, we support the establishment of the Conference Committee and Working Groups. We also support the convening of a Special Session of the Conference.

**Chang-Hyun KIM (Republic of Korea)**

The Korean delegation would like to express our gratitude to Ambassador Perri and the IEE Core Team for their hard work and comprehensive report. The Republic of Korea welcomes the IEE Report. I believe that the findings and the recommendations the IEE Report will be of valuable input for the reshaping of a more effective and efficient Organization. Also Korea would like to share the view that all Member Nations would take advantage of this momentum on the UN reform. Korea will participate actively and fully support starting with Working Groups for an immediate action plan, as recommended by IEE. In addition, I would like to say that the implementation activity of IEE recommendation would be carried out more efficiently and effectively with the harmony of our reform endeavour.

**Yohannes TENSUE (Eritrea)**

I associate myself with the statement made by Mali on behalf of the Africa Group and India, on behalf of G77. I would like to acknowledge the significant challenge faced by the evaluation team and welcome the depth and value of the recommendations they have presented. I would like to express my appreciation for the timely delivery and excellent work done by the whole evaluation team. And their effort was really accelerated with the good cooperation and service provided by John Markie, who has done a wonderful job. We acknowledge his contribution as well and, of course, our Chairperson, Mr Perri, has also done a good job. Now the Friends of the Chair are also undertaking seriously the steps to put forward, and Eritrea will be ready to engage in the follow-up, and to work on the recommendation or undertaking the analysis of the different recommendations of the Evaluation Team. Thank you, Mr Chairperson, and we will be engaged in evaluating the evaluation.

**Habib AL ABDOUDI (United Arab Emirates) (Original language Arabic)**

At the outset, I would like to express our thanks for the efforts made by the Chair of the Team and his colleagues in order to prepare the IEE Report. I would also like to express our appreciation of the Management Response "In Principle". In the past meetings of the Council, we used to listen to several people saying that we should wait till we see the Final Report of the IEE before we make any decisions regarding any points, and that everything is subject to the IEE Report. I believe that now that we are about to accept the IEE Report, it is time to eliminate the obstacles facing the decision-making process of the FAO, and I believe we should not be postponing the decisions to be made upon the critical issues to be discussed by the Organization.

**LUO MING (China) (Original language Chinese)**

The Chinese delegation supports the statement made by the Indian delegation on behalf of the Group of 77. The Chinese delegation congratulates the IEE of FAO for the positive progress obtained. The Chinese delegation thanks the IEE Core Team, the FAO Secretariat and all those who have participated, cooperated and supported the IEE work. We would also like to thank the Friends of the Chair for the diligent work done. We note that since the final report of the IEE, the reactions from all parties concerned, be it from Member Nations or from the management are all rather positive. We should seize and not let go of such a good momentum, transforming it into active results at this Session of the Conference so as to lay favourable foundations for the work ahead. The Chinese delegation will continue to actively support the follow-up work of the IEE.

**CHAIRPERSON**

I have not seen anything except the admiration and praise of the leadership, the teamwork and the management response, the support of the Secretariat, but I would like to ask you to give the floor, if you have to add anything, to Ambassador Perri, the Team Leader and team management. Ambassador Perri, you have the floor.

**Flávio MIRAGAIA PERRI (Chairperson , Independent External Evaluation)**

I will recall now something I have been living all my life. "Nel mezzo del cammino, trovai selvo oscuro". This is Dante. In the middle of the road, I found dark wilderness. We didn't find any wilderness in the middle of the road of FAO. We are ready to work, and I congratulate you for your strenuous work in arriving at this stage. And so let us go to the end of the road and let us tell Dante, please Ambassador, tell Dante that in the middle of the road there was no dark wilderness.

**CHAIRPERSON**

So my conclusion is that the Council expresses appreciation and thanks the leadership of Ambassador Perri for the work well done by the Core Team, Team Leader and they welcome the Report and express appreciation to the Management both for the support provided to the work during this long time and for the very positive response that we have received. With this we can continue the next part of our work. At the beginning, I said that we are discussing this in two parts. One is the Report of the team and the other one is the Friends of the Chair mechanism. Some delegations have already addressed the second part in their statements, but let us continue with that item. Thank you, Ambassador Perri, and the Team for the excellent work done.

We will transmit the Report of the IEE to the Conference and move on to discussion on our work on a possible Conference Resolution. In the Friends of the Chair for IEE follow-up which I chaired with the great assistance from Ambassador Arvelo and Mr Heard. The document under consideration is CL 133/13, which is a short document; includes my brief report and the draft resolution. And I myself introduced the report. May I read that for you?

The 131<sup>st</sup> Session of the Council in November 2006, invited its Independent Chairperson to informally convene, as he considered necessary between Council sessions, the Friends of the Chair to discuss issues pertaining to follow-up to the IEE in preparation for Council sessions. The Friends of the Chair met for the first time on 15 June and have since held a series of meetings to inform itself on the IEE findings and recommendations as contained in its Report, and the response of Management as contained in Management Response "In Principle". This has deepened FAO Members' understanding of the IEE proposals and enabled the Friends of the Chair to recommend to the Council a Draft Resolution of Conference. The proposals which it recommends that the Council transmit to the Conference are designed to facilitate adoption or resolution on IEE Follow-up. This proposal provides a draft of the sections of the resolution which all Members of the Friends of the Chair adopted with full consensus, including the establishment of a time-bound Committee of the Conference and the need for a Special Session of the Conference in the latter part of 2008. It also provided separately a paragraph, submitted by one Regional Group and supported in principle by some other Regional Groups, which provides for the establishment of basic milestones for the work of the proposed Committee of the Conference. All Members agreed that it was necessary to maintain momentum in arriving at agreements on the recommendations of the Committee of the Conference and there was a measure of agreement that this should be reflected in the resolution. However, in the limited time available, it was not possible to arrive at voting on a possible text. The original text as suggested by one Regional Group is provided separately as an Annex for the information of the Council and possible further consideration. The draft text of the Resolution provides for the Conference to appoint a Chair and a Vice-chair to the Conference Committee and this is also an area requiring the special attention of the Conference. Do you have the Draft Resolution and this short Report? The floor is open for your comments, recommendations, and all questions.

I don't see any request for the floor. As I said, some of the delegations expressed their views on the first part which was mostly that they welcomed the work of the Friends of the Chair but as I said, we do have two points which require your attention. One is the appointment of a Chair and the Vice-chair on which I am sure you will consult among each, other and before the Resolution goes to the Conference, you will provide the name to be included in the Resolution, and the second one is the Annex, which has not yet been agreed. If you do have any proposal for further consideration for that part, Council is ready to listen to your comments on that.

If I do not have any comments from the floor, I take it that Council agrees to submit this Report as contained in CL 133/13 to the Conference for further consideration.

It is so decided.

We need a few minutes of consultation before going to the next item.

**Krassimir KOSTOV (Observer for Bulgaria)**

Thank you for giving me such a start but, as Observer from here, sometimes Observers can observe more neutrally what is happening in the field of the Council. In fact, I had a question for Ambassador Noori. I was also observing the Friends of the Chair Group and was fascinated by the extremely useful and fruitful work that group carried out, presenting us now with a Resolution. Ambassador, we are all in your hands now. Does your decision mean that you will not try to pursue the ending of the work we have, as reflected in your Report now during the Council, taking into consideration the fact that we now have tomorrow morning as well, and you would like to have this work continued during the Conference when we might not have that much time. Just a question to you.

**CHAIRPERSON**

Nobody asked to continue. So, legally-speaking the work of the Friends of the Chair was terminated when the Council started, because it was only between the Sessions of the Council. Now if there is any feeling that it would be useful to continue until tomorrow, or during the Conference, if there is a suggestion we could consider it and Council could make a decision on that.

**Krassimir KOSTOV (Bulgaria)**

If I heard correctly, four regions during the previous debate indicated willingness to continue work on the remaining part, which is reflected in your Report.

*Mohamed Ashraf Gamal Eldin Rashed, Ambassador of Egypt, took the Chair*  
*Mohamed Ashraf Gamal Eldin Rashed, Ambassadeur d'Egypte, assume la présidence*  
*Ocupa la presidencia Mohamed Ashraf Gamal Eldin Rashed, Embajador d'Egipto*

**CHAIRPERSON**

Yes, we can and if Council accepts this proposal, the mechanism of the Friends of the Chair could continue. You suggest to the end of the Council, right, not going to the Conference which means by tomorrow afternoon. Do I have any other comments from the Council Members?

**Mario Arvelo CAAMAÑO (Observador de la República Dominicana)**

Tengo una cuestión de traducción simple e importante. El Presidente del Consejo recordará y recordarán nuestros colegas, que en ocasión de la última reunión de los Amigos del Presidente, estuvimos en esta sala hasta las 11 de la noche y es por tanto comprensible que el Secretariado haya olvidado este pequeño punto, es pequeño en tamaño pero es grande en importancia. Me refiero al Artículo II de la propuesta del texto, nosotros quedamos en ese momento y estoy recordando, sujeto a que también el Presidente lo recuerde, que el G77 estuvo de acuerdo que en inglés se utilizara la palabra "welcome", en referencia al Reporte Final de la Evaluación Externa, como a la respuesta de la Administración; pero en ese momento también quedamos en que la traducción usual de la palabra "welcome" del inglés al español, en diferentes textos de las Naciones Unidas y de la FAO en particular, se traduce como "acoge con agrado" o "acoge con

satisfacción" o "acoge con beneplácito", que esa traducción usual la íbamos a dejar de lado para este caso en particular e íbamos a utilizar solamente el verbo "acoger". Por tanto "acoge" sin calificaciones, tanto el Informe de la Evaluación Externa como la respuesta de la Administración. Aquí en el texto en español tengo "acoge con agrado" en ambas instancias y el acuerdo político al que llegamos que se sobrepone, según tengo entendido, a la traducción técnica, es sencillamente "acoge". Que esto valga Presidente, por favor, para que se haga y que este documento sea sustituido por un documento de revisión, para que en español aparezca la palabra "acoge" solamente en ambas instancias del párrafo II de la propuesta del texto.

No quisiera Presidente, dado que mi francés es muy pobre, tomar mucho más tiempo de este Consejo, pero en francés también llegamos a la misma conclusión "accueil" sin más calificaciones. El distinguido embajador de Malí, que domina el francés, me llamo también la atención sobre ese punto, no se si desea hacer uso de la palabra, pero que sepa que lo hemos tomado en cuenta y rogamos también que las delegaciones de habla árabe y china también puedan hacer el comentario que entiendan dé lugar.

La delegación de la República Popular de China me había asegurado que una u otra palabra era lo mismo, pero repito, ni para el francés, árabe y chino quisiera que se tomaran en cuenta mis palabras con la misma calidad que lo estoy diciendo para el español, estoy solo recordando el acuerdo político al que llegamos sobre este punto.

**Aamir Ashraf KHAWAJA (Pakistan)**

My gratitude also to Ambassador Noori on a very transparent and useful process for coming to a consensus on this Draft Resolution. My remark relates to paragraph 11 and I apologise as I was consulting with some other colleagues earlier and I may have missed something. My understanding is that when we reached a consensus around paragraph 11, we did not have the benefit of legal advice. I understand we have that benefit of legal advice now, I would like to ask as to what is the status of paragraph 11 in view of the legal advice as has been intended.

**Ms Saranya Hasanthi Urugadawatte DISSANAYAKE (Observer for Sri Lanka)**

It is about the Annex to the Resolution. I wish to point out something. In the document it says that the consensus could not be reached, but I would like to clarify to those who were not at the meeting of the Friends of the Chair that this Annex was presented to the Representatives who were present around 3.00 pm. I believe that the main reason for not reaching a consensus was that there was not time for people to understand and in the light of looking at pros and cons of the milestones set, as well as to see whether the deadlines given were realistic; of course this does not mean that having milestones or deadlines set are underscored, the issue here is that we also need some time to study the whole issue and refer to our Capitals. In this context, I believe if it is possible for the Region which presented it to explain the basis, the rationale behind the Annex and whether they have considered that who will sit on the Conference Committee and whether meeting these deadlines will be possible; because for some countries those who come to the Conference Committee will be the Representatives who are already here and most Missions of FAO I believe are small. So, it is important to assess whether those factors have been considered. I think the main issue from Sri Lanka's point of view is adequate time to look at it without underscoring the importance of having milestones and deadlines.

**Mme Mireille GUIGAZ (France)**

Je remercie mon collègue l'Ambassadeur de la République dominicaine d'avoir regardé de très près la traduction en espagnol. Il m'a par la même amené à regarder de très près la traduction en français et je confirme son point de vue. J'ai même une autre observation à faire sur ce paragraphe 2. Dans le premier cas vous avez écrit en français "accueille favorablement le Rapport de l'EEI" puis ensuite vous avez écrit "salue la réponse de principe du Directeur général" donc vous avez employé en traduction deux mots différents pour un seul mot, le même mot en anglais "welcome". Je voudrais que l'on ait une traduction cohérente et lorsque j'écoute depuis des heures maintenant nos interprètes, ils traduisent systématiquement "welcome" par "se félicite", il me semble que ce

terme est relativement neutre dans la langue française pour que nous reprenions ce vocabulaire "se félicite" plutôt que "accueille favorablement" avec un adverbe. Cela est le premier point.

J'ai un deuxième petit point, c'est juste une histoire de traduction, au paragraphe 7. Il s'agit là certainement d'une petite erreur matérielle. J'en profite pour demander la correction en français à la ligne trois. Il s'agit "d'une session extraordinaire de la Conférence" et non pas du Conseil comme c'est écrit en français. Paragraphe 7 de la traduction française: "session extraordinaire de la Conférence et non pas du Conseil".

#### **CHAIRPERSON**

I believe the Secretariat has taken note of the observation made by France and by the Dominican Republic. They will be duly dealt with. Mexico.

#### **Diego Alonso SIMANCAS GUTIÉRREZ (México)**

Con respecto al párrafo 11, mi colega de Pakistán le ha preguntado sobre posibles implicaciones legales. De la lectura del párrafo 11 se entiende que el Comité podría consultar a los órganos subsidiarios del Consejo, para lo cual, éstos tendrían que reunirse a efectos de atender las consultas del Comité. Creemos, por tanto, que ello no sólo tendría implicaciones legales sino también presupuestarias.

Si observamos el documento sobre el calendario de reuniones que analizaremos como tema siguiente, las primeras reuniones previstas para los Comités del Programa y de Finanzas están previstas para finales de mayo. Entendemos, entonces, que en la planificación del Programa de Presupuesto no están previstas otras reuniones de estos Comités ni de ningún otro órgano subsidiario del Consejo. Entendemos que la cifra que la Secretaría nos había dado originalmente a título informativo tampoco incluía este tipo de reuniones. Entonces quisiéramos una confirmación sobre si además de las posibles implicaciones legales, debieran ser consideradas implicaciones presupuestarias que por el momento no estamos previendo.

#### **CHAIRPERSON**

First of all, with regard to the legal aspects which were raised, we are waiting for the Legal Adviser. Secondly, you raised some points related to the scheduling of meetings, is the Secretariat ready to respond to this?

#### **Manoj JUNEJA (Director, Office of Programme, Budget and Evaluation)**

Indeed as the distinguished delegate from Mexico noted, the next item on your agenda foresees two Sessions of the Programme and Finance Committees during 2008 and one Session of the Council – specifically, sessions of the Programme and Finance Committees in late May and early October and a Session of the Council, which is tentatively scheduled for the period 17 to 21 November. In the Friends of the Chair discussions, some tentative budgetary provisions were put forward and at this stage the aggregate amount is included in parenthesis in paragraph 12 of CL 133/13. With your permission, the Secretariat would like to suggest that this matter could be further reviewed as part of the work of Commission II when it looks at the budgetary estimates under this Item and conducts the overall budget discussions for the Programme of Work and Budget. At this stage, I can confirm that there were not any additional budgetary provisions foreseen for Special Sessions of the Programme and Finance Committees and, indeed, the question of holding a shortened session of the Council, immediately preceding the Conference, which is referred to in paragraph six of the documentation, will also need to be reviewed when the budgetary estimates are refined.

**8. Measures to improve the Organization's Cash Shortage Situation (CL 133/LIM/2)**  
(continued)

**8. Mesures destinées à améliorer la situation de trésorerie de l'Organisation**  
(CL 133/LIM/2) (suite)

**8. Medidas para aliviar las dificultades de la Organización en cuanto a disponibilidad de liquidez (CL 133/LIM/2) (continuación)**

**CHAIRPERSON**

We are waiting for the Legal Counsel but I think we can move to the next item and then we can turn back to the same when he arrives. We are now moving to Item 8, measures to improve the Organization's cash shortage situation, document CL 133/LIM/2. As Ambassador Noori reminded us yesterday, at our last Session yesterday afternoon, we agreed that the Regular Programme liquidity situation of the Organization was critical and would only be approved through timely payment of assessed contributions by Member Nations. I think there was an agreement also in principle, to propose to the Conference the introduction of the fee measures recommended by the Finance Committee at its Hundred and Eighteenth Session on the understanding that the final language to be discussed and refined during this Session for transmittal and decision by Conference. Any delegate who wishes to comment on this please?

**Seiichi YOKOI (Japan)**

After the Session yesterday, Japan briefly discussed with Brazil and at that time Japan was informed that the G77 is not very satisfied with the text present in CL 133/LIM/2 and even with the revised proposal prepared by Japan. So I requested Brazil to seek try to convene a G77 meeting to discuss it with Japan, if possible, but this is not yet realized due to time constraints. Japan is very pleased to discuss with any Member Nation on this matter, any Member Nation which has interest, opinions or comments. To put forward the discussion of this matter, may I suggest that you instruct interested Member Nations to meet immediately after this morning's Session of the Council, somewhere convenient for everybody.

**Jose Antonio MARCONDES DE CARVALHO (Brazil)**

Japan has suggested exactly what I was going to suggest that we are allowed time to consider this proposal which I, for the sake of working more expeditiously, I would suggest that whatever result stems from these conversations, we send them directly to Drafting Committee.

**CHAIRPERSON**

Any further comments before we summarize? I fully agree that we need to reach some sort of consensus on the language of such a resolution, and certainly we will give you time, Japan and Brazil to work together, but equally if any other interested party would like to, I cannot instruct but I can kindly request representatives of Member Nations who would wish to join them in an exercise aiming to reach a consensus to do so, maybe immediately after this session. The second is that whatever you achieve should be forwarded to the Drafting Committee so that they can consider what you present to them.

**Seiichi YOKOI (Japan)**

I fully agree with your suggestion and, for the convenience of the Member Nations which have an interest in this matter, may I propose to have meetings at A133– that is the Room for the Regional Groups– if this is convenient for everyone, if this is not inconvenient for any Regional Group who is scheduled to use that Room.

**CHAIRPERSON**

So you are suggesting Room A 133. Do you want them to meet immediately after we adjourn the session, is this agreeable to Member Nations? Ok.

So Room A 133 immediately after we adjourn the session.

We now move to the next Item which should be Item 12.

Sorry, the Legal Counsel has arrived and maybe we can benefit from his presence now.

If you could kindly respond to a question raised by Pakistan.

Pakistan you have raised the legal issue would you kindly repeat it in the presence of the Legal Adviser so that he can respond.

**Aamir Ashraf KHAWAJA (Pakistan)**

I just would like to request the Legal Counsel to consider paragraph 11 as it exists in our text of the resolution, and advise us whether this is in accordance with the legal position and if it is not what needs to change in this paragraph.

#### **LEGAL COUNSEL**

In relation to this paragraph, it would be useful to note that Article V.6 of the FAO Constitution provides that the so-called Committees of the Council shall report to the Council. So this is a provision which is set out in the Constitution of the Organization and, therefore, cannot be suspended. I would, in these special circumstances, interpret this provision as meaning that in performing their normal work, these Committees should report to the Council. However, we are in presence of a different situation, if I understand it correctly, and this is that the Conference Committee may need, in order to continue its work, to have specific advice from these Committees. What I am saying is that this is not normal work of the Finance and Programme Committees and they could thus report to the Conference Committee. On their normal work they will continue to report, as provided for in the Constitution, to the Council.

It is only if the Conference Committee needs some special advice on its work that it may request the Committees of the Council to report directly to it. In this sense, I think that this can be legally done.

#### **CHAIRPERSON**

Any further comments on this particular issue? Take the stand please.

**Aamir Ashraf KHAWAJA (Pakistan)**

I am still considering what the Legal Counsel has just said, and the way I interpret his advice, I see certain difficulties, because the two Committees would only be meeting in the regular sessions in May and September. Now there is also a timeframe to be kept in mind, because they would be dealing with their normal business in these two sessions.

Now the intent of this paragraph and I am particularly referring to the two words in the second line of this paragraph, where it says to call on the Committees of the Council to advise it on aspects of the reform process within their mandates. As I see it, advising the Conference Committee would in a sense amount to reporting to the Conference Committees to the extent of whatever advice is being sought. How would it all come together within the limitations of the two sessions that these Committees would have over 2008, is not clear at all; and secondly how does one differentiate between the words "advice" and the "report". Would the two not amount to the same thing, because the Committee of the Conference may seek quite an elaborate response from these two Committees within their respective mandates, dealing with the Programme of Work and Budget and any possible alterations to add or any major financial implications arising out of the work of the Committee of the Conference.

#### **LEGAL COUNSEL**

I will try to explain myself but I would apologise if I am not sufficiently clear because I did not follow your discussions in the Friends of the Chair Group. So for me it is a new matter in a way.

But I see that, quite rightly, you made provision in paragraph 6 for a short session of the Council. So what I was trying to say is that the Programme and Finance Committees, in dealing with their



normal work, will make their report to this short session of the Council in November; so they will continue to report to the Council as regards their normal work.

Now my interpretation of paragraph 11 of the proposed resolution is that it would allow the Committee of the Conference to have technical support in its deliberations. In this sense, this is additional work. The advice given by the Finance and Programme Committees would be in support to the Conference Committee, and I do not see this to be contrary to Article V of the Constitution.

Now whether you may need additional sessions of the Programme and Finance Committees, in addition to their normal sessions, this is another issue which is not legal. Someone did raise the question that this may have budgetary implications. So here we have to distinguish between the normal work of the two Committees, in respect of which they will report to the Council, and you have already foreseen a short session of the Council before the Conference and any particular advice to be given to the Conference Committee in order to facilitate its work. It is exceptional, additional work for the Programme and Finance Committees but without suspending or removing their obligation to report to the Council.

**Aamir Ashraf KHAWAJA (Pakistan)**

I am still considering what the Legal Counsel has just said, and way I interpret advice I see certain difficulties because the two Committees would only be meeting in the regular session in May and September. Now there is also a timeframe to be kept in mind, because there would be dealing with their normal business in these two sessions.

The intensitive of this paragraph and I am particularly referring to the two words in the second line of this paragraph when it says to call on the Committees of the Council to advise it on aspects of the Reform process within their mandates. As I see it, advising the Conference Committee would in a sense amount to the reporting to the Conference Committees to the extent to whatever advice is being sought.

How would it all come together within the limitations of the two sessions that these Committees would have over 2008 is not clear at all, and secondly, how does one differentiate between the worlds "advice" and "report". Would the two not amount to the same thing because the Committee of the Conference may have quite an elaborate response from these two Committees within their respective mandates, dealing with the Programme of Work and Budget and any possible alterations to add or any major financial implications arising out of the work of the Committee of the Conference.

**CHAIRPERSON**

Legal Counsel, would you like to comment please?

**LEGAL COUNSEL**

I was just trying to facilitate the work of the Conference Committee. Another way, if we want to be really extremely legalistic, would be for the Programme and Finance Committees in any case to report to the Council Session in November. This would be without excluding the fact that they would bring their reports to the attention of the Conference Committee. There may be a way to accommodate the two issues. Everything depends on the timing, if you want, but at the end we can always make the Reports of the two Committees available to the Conference Committee and to the Council at its short Session in November. This perhaps may solve this problem.

**V. OTHER MATTERS**  
**V. QUESTIONS DIVERSES**  
**V. OTROS ASUNTOS**

**12. Revised Calendar of FAO Governing Bodies and other Main Sessions 2007-2008**  
(CL 133/INF/4)

**12. Calendrier révisé des sessions des Organes directeurs et des autres réunions principales de la FAO 2007-2008** (CL 133/INF/4)

**12. Calendario revisado para 2007-2008 de los órganos rectores y de otras reuniones importantes de la FAO** (CL 133/INF/4)

**CHAIRPERSON**

I think that we can move now to Item 12. It relates to the Revised Calendar of the FAO Governing Bodies and Other Main Sessions during the period 2007-2008 as contained in document CL 133/INF/4. The calendar includes sessions to be held during as I said the period 2007- 2008. Are there any comments?

You will note that the Hundred and Thirty-fourth Session of the Council will take place on Monday, 26 November 2007, immediately following the Thirty-fourth Session of the Conference.

We now move to Any Other Matters, which is the last Item on the meeting today.

Would any delegation would like to take the floor on Any Other Matters?

I will give the floor to the Secretary General, they have some announcements to make.

**SECRETARY GENERAL**

I just wish to repeat my announcement that I made yesterday at the close of business and that is all delegations to the Conference, you are kindly requested to deposit your credentials with the Protocol Office, A 480, as early as possible in the Conference Session. That will allow the Report of the Credentials Committee to be submitted to the Conference to reflect the situation accurately; also this will allow the Secretariat to have as many credentials as possible.

The second announcement is for the Members of the Drafting Committee, who will meet at 17.00 hours today in the German Room. Please note that the relevant Drafting Committee papers will be available in the Reports Office in Room A-117 as of 13.30 hours this afternoon.

**CHAIRPERSON**

Before I close the meeting, as the Secretary General has said the Drafting Committee will commence at 17.00 hours in the German Room, Building C, Room number 269 and not the Lebanon Room as reported in the printed version of the order of the day.

So it is Building C, Room number 269 for the Drafting Committee at 17:00 hours.

I have also been asked to inform the Conference that the passes are now ready for collection at the Turkish Registration Centre, that is, at the entrance of Building A.

Please note that the Adoption of the Report is scheduled for 18.00 hours in the Red Room tomorrow evening. Please make an effort to be here on time.

**Seiichi YOKOI (Japan)**

The Secretariat kindly advised me that the Lebanon Room is available for the meeting to discuss the Draft Resolution for measures to improve the cash situation, so we will move it to the Lebanon Room instead of A-133.

**CHAIRPERSON**

Everyone has taken note of this and so it will be under the guidance of Japan and Brazil, the meeting for the drafting of the particular Resolution on Arrears in the Lebanon Room.

We adjourn the meeting and we meet tomorrow afternoon at 18.00.

*The meeting rose at 12:16 hours*

*La séance est levée à 12h 16*

*Se levanta la sesión a las 12.16*



# COUNCIL CONSEIL CONSEJO

**Hundred and Thirty-third Session  
Cent trent-troisième session  
133° período de sesiones**

**Rome, 14-16 November 2007  
Rome, 14-16 novembre 2007  
Roma, 14-16 de noviembre de 2007**

**FOURTH PLENARY MEETING  
QUATRIÈME SÉANCE PLÉNIÈRE  
CUARTA SESIÓN PLENARIA**

**16 November 2007**

The Fourth Plenary Meeting was opened at 18:30 hours  
Mr Mohammed Saeid Noori-Naeini,  
Independent Chairperson of the Council, presiding

La quatrième séance plénière est ouverte à 18 h 30  
sous la présidence de M. Mohammed Saeid Noori-Naeini,  
Président indépendant du Conseil

Se abre la cuarta sesión plenaria a las 18.30  
bajo la presidencia del Sr Mohammed Saeid Noori-Naeini,  
Presidente Independiente del Consejo

**ADOPTION OF REPORT (CL 133/REP/1 – CL 133/REP/13)**

**ADOPTION DU RAPPORT (CL 133/REP/1 – CL 133/REP/13)**

**APROBACIÓN DEL INFORME (CL 133/REP/1 – CL 133/REP/13)**

**CHAIRPERSON**

Good evening Excellencies, Ladies and Gentlemen. Welcome to the fourth and final meeting of the Hundred and Thirty-third Session of the FAO Council. We do have an item of the Agenda pending which was Item 8, Measures to Improve the Organization's Cash Shortage Situation. As I read at our last meeting, Council members have been working together on the Draft Resolution contained in document CL 133/LIM/2, Measures to Improve the Cash Shortage of the Organization. After discussion with the interested parties, it is clear that more time is required to reach a consensus on the text. I should like to propose that discussion on this matter continue over the following days to enable the Resolutions to be presented to the Conference. A paragraph reflecting this proposal of mine has been distributed separately from the main body of the Report. Is the Council in agreement with this proposal?

*It was so decided*

*Il en est ainsi décidé*

*Asi se acuerda*

**CHAIRPERSON**

We will now proceed with the adoption of the Report. Please ensure that you have the Draft Report before you and I immediately invite Mr Vic Heard, Chairperson of the Drafting Committee, to present the Report. Mr Heard, you have the floor.

**Victor C.D. HEARD (Chairperson, Drafting Committee)**

Mr Chairperson, Director-General, Colleagues. It has been my honour to chair one of the most convivial and constructive drafting groups I have met. We worked very effectively, all Regions were fully represented, they all took an active and constructive part in the discussions and they all made substantial and substantive contributions. I have very little more that I can say about it, except I think that between us, we have, I believe, represented accurately and correctly the content of our discussions in a brief and straightforward manner. We were also able to complete our work in two sessions, which I think is another issue on which I should compliment the Members of the Committee. I think, Sir, that the atmosphere of collaboration that we had in the Drafting Committee augurs very well for our deliberations over the next week or so. So other than thanking further my distinguished colleagues on the Committee, I have nothing more to say about the Report that we have produced.

**CHAIRPERSON**

Thank you Mr Chairperson, for these very positive remarks and Mr Heard I do have every reason to propose to you that the Report of the Drafting Committee, this draft report of the Council be adopted *en bloc*. Do I have your agreement? Eritrea you have the floor.

**Yohannes TENSUE (Eritrea)**

This is to support your proposal and we adopt it *en bloc*. You have done an excellent job.

*Applause*

*Applaudissements*

*Aplausos*

**Saoud AL BADDIAIE (Oman) (Original language Arabic)**

I avail myself of this opportunity at the end of the work of the Council in order to thank you for your distinguished efforts and I would like to thank the Secretariat as well as the Chairperson of the Drafting Committee for his wisdom and his very excellent leadership of the work of the Drafting Committee. I would like to thank all the colleagues and Members of the Drafting

Committee for their cooperation and fruitful work. I would also like to thank all those who have worked in the Secretariat, the interpreters and all who have contributed to the success of the meeting of the Council, as well as the Drafting Committee. I wish every success for the Conference to be inaugurated tomorrow morning. We feel that it is our duty to say that we aspire for the successful deliberations within the framework of the goals for better lives for humanity at large and agricultural development in general.

**CHAIRPERSON**

I think we all share your points of views.

**Habib AL ABDODI (United Arab Emirates) (Original language Arabic)**

I would like to express my thanks and gratitude to the Members of the Council for having agreed to establish a new Sub-regional Office for the Gulf Cooperation Countries and Yemen, and for this to be established in the United Arab Emirates. We would like to thank all the countries that have supported us in this endeavour.

**CHAIRPERSON**

Thank you and we wish that this Sub-regional Office contributes to the goals of the Organization.

**Yaya OLANIRAN (Nigeria)**

I would like to congratulate you and all the people who have worked with you on this wonderful occasion of the Hundred and Thirty-third Session of Council of FAO. I just want to make a remark concerning Item 8, to show that, as expressed by G77, the developing countries have taxed themselves and have reached their capitals to say that the issue of non-payment or delayed payment is not on if we are really going to improve the health of the Organization we all love so much. Only this afternoon I got a reply from my capital in Abuja, that goes along to say that the Government has become increasingly concerned about the embarrassment caused by the delayed payment and sometimes non-payment of the assessed contributions of international organizations and Agencies, and that the Federal Government has decided that all outstanding payments be settled immediately. The document went on to list that the bank accounts of the various bodies should be forwarded immediately so that these settlements could be made. I think this is a positive thing that should encourage all of us to know that countries are making efforts to see that the financial health of FAO is restored.

**CHAIRPERSON**

I thank you for these very positive words and I hope that all the countries will follow suit.

**Jorge Eduardo CHEN CHARPENTIER (México)**

El Grupo de América Latina me ha pedido que la versión en español del Informe señale, que en el Tema número 9, cuando se habla "el Consejo acogió con agrado unánime que el término que se había acordado" en español y no me refiero a ninguna otra versión lingüística, sino al español, era el consejo "acogió unánimemente".

**CHAIRPERSON**

We have taken note and it will be corrected.

Any other requests for the floor? I see none, so on my own behalf and on behalf of the Council I sincerely thank Mr Heard and the Drafting Committee for the excellent work done and you saw the result and saved lots of time.

*Applause*

*Applaudissements*

*Aplausos*

**\Jean de Dieu MUTABAZI (Observateur du Burundi)**

Je vous remercie Monsieur le Président très sincèrement pour l'excellente façon de mener les débats. À mon tour ce n'est pas une question que je voulais poser ou une autre intervention que je voulais apporter. C'était seulement pour annoncer et informer l'auguste assemblée qu'au Burundi il y a eu un remaniement ministériel hier soir qui tendait à intégrer absolument les deux partis de l'opposition dans le Gouvernement afin d'apporter un très bon climat politique puisque depuis quelques temps le pays connaissait un certain nombre de problèmes politiques liés à l'entente entre notre principal parti qui est au pouvoir et les deux partis de l'opposition.

Je voudrais donc en même temps demander à la communauté internationale ici représentée de pouvoir soutenir tous les efforts que le Gouvernement du Burundi est en train de mener comme le Ministre de l'Agriculture qui malheureusement n'est plus ici. Comme il nous l'a annoncé avant-hier, le Gouvernement du Burundi, malgré tous les problèmes que nous connaissons, vient de payer à peu près le tiers de tout ce qu'il devait à l'Organisation, donc maintenant j'espère qu'il ne reste à verser que deux tiers et nous tenons à continuer de payer selon le plan de paiement échelonné que nous avons envoyé à l'Organisation.

**CHAIRPERSON**

Thank you for sharing this information with us and I am sure that all of us wish Burundi all the prosperity and development.

I have no other speaker? I would like to ask the Director-General to take the floor.

**DIRECTEUR GÉNÉRAL**

Je voudrais vous remercier, Monsieur le Président indépendant du Conseil, et exprimer toute ma gratitude aux Membres de ce Conseil qui ont travaillé inlassablement pour arriver aux résultats extrêmement positifs que j'ai pu voir. Je voudrais surtout souligner l'atmosphère de concorde, l'esprit de dialogue et le souci de compromis qui ont guidé les échanges et dire à quel point, au niveau du Secrétariat de l'Organisation, nous sommes encouragés par cet état de choses. L'Organisation naturellement ne peut progresser qu'en s'alignant et en suivant le chemin tracé par les États-Membres. Je voudrais donc vous exprimer toute notre reconnaissance et encore une fois re-confirmer notre volonté de continuer à servir cette Organisation et de lui permettre de pouvoir relever les grands défis que nous avons dans le monde au niveau de la sécurité alimentaire et naturellement vous remercier tout particulièrement, Monsieur le Président et tous les présidents des différents groupes, comités de rédaction qui ont travaillé très tard la nuit parfois pour pouvoir arriver à l'excellent résultat que nous avons. Encore une fois, toute notre gratitude. Merci.

**CHAIRPERSON**

On behalf of the Council and myself we wish to thank you for being with us, and all the support that the Secretariat and Management has provided us with during this Council.

I would also like to express my heartfelt congratulations and thanks to all Members of the Council for their very positive spirit of cooperation and good results that we have achieved. I see that we have already started working in different cultures, the cultural change that which has been recommended by the IEE has started to show itself, and I hope it will continue.

I wish you all the best and with this I announce that the Hundred and Thirty-third Session of the Council adjourned, and wish you a good evening and see you tomorrow morning.

*Applause*

*Applaudissements*

*Aplausos*



*The meeting rose at 18:46 hours*

*La séance est levée à 18 h 46*

*Se levanta la sesión a las 18.4*



