

May 2010

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منظمة الأغذية  
والزراعة  
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联合国  
粮食及  
农业组织

Food  
and  
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of  
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Organisation  
des  
Nations  
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pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## TWENTY-SEVENTH FAO REGIONAL CONFERENCE FOR EUROPE

Yerevan, Armenia, 13 AND 14 May 2010

### STATEMENT OF THE DIRECTOR-GENERAL

*Your Excellency, Mr Gerasim Alaverdyan, Minister for Agriculture of the Republic of Armenia*

*Your Excellency, Mr Arman Kirakossian, Deputy-Minister for Foreign Affairs*

*Mr Chairperson of the FAO Council,*

*Honourable Ministers,*

*Distinguished Delegates,*

*Excellencies, Ladies and Gentlemen,*

#### **Introduction**

It is an honour and a great pleasure for me to be with you for this Twenty-seventh FAO Regional Conference for Europe which is being held in this historic city of Yerevan. Allow me first of all to express, in the name of the Organization, its personnel and also the delegations, our profound gratitude to the President of the Republic, His Excellency Serzh Sargsyan, to the Government and to the people of Armenia for their warm welcome and their hospitality.

This Regional Conference for Europe is the first to be held in a country that is among the principal beneficiaries of FAO's technical assistance. This is strong testimony of the significant progress that has been made in integrating the new Member Nations of this region into the activities and governance of our Organization.

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## **State of food insecurity in the world**

*Mr Chairperson,*

*Ladies and Gentlemen,*

At the World Food Summit of 1996, the Heads of State and Government pledged to reduce by half the number of people suffering from hunger by 2015. This global pledge was subsequently reaffirmed in other international agreements, notably at the Millennium Summit in 2000 and the World Food Summit: *five years later* in 2002. More recently, the World Summit of Heads of State and Government on Food Security, held last November in Rome, decided to reach the total eradication of hunger in the world.

Unfortunately, the latest data compiled by FAO show that the current situation is even more disturbing than it was in 1996. Hunger has risen in the last three years because of falling agricultural investment and soaring food prices. This has been exacerbated by the financial and economic crisis that has affected all regions of the planet. In 2009, the number of hungry people increased by 105 million over the previous year to reach one billion.

## **State of food insecurity in the region and role of agriculture**

The region of Europe and Central Asia is a striking example, in the last ten years, of success in fighting poverty and food insecurity. Since 1998, some 50 million people in the region have succeeded in moving out of poverty. The reduction of food insecurity and poverty has been driven by a general increase in income, particularly for the working poor. In Central Asia, the number of people suffering from hunger fell by 38 percent from 9.3 million in 2000-2002 to 5.8 million in 2004-2006.

Agriculture has played a key role in reducing poverty and food insecurity in the countries of Europe and Central Asia. It is in the poorest of these countries, where the majority of the poor population live in rural areas and employment is essentially provided by agricultural activity, that the sector has recorded the highest rates of growth, fuelled almost exclusively by the small family farms.

The financial and economic crisis could adversely affect the progress and the significant improvements in living standards that have been achieved in the region during the last decade. In fact, according to estimates by the World Bank, the region of Europe and Central Asia is the region that has been hardest hit by the crisis. In addition, FAO studies have shown that the crisis has weakened agriculture, particularly in the countries of Central and East Europe. The countries of the region are facing major economic turmoil, including tighter export markets, lower remittance flows and reduced private financing.

## **Global and regional issues: investing in agriculture to eliminate hunger**

History teaches us that there is no more powerful engine for stimulating growth and eradicating hunger and poverty than investment in agriculture. Whereas the number of hungry has steadily increased worldwide since the mid-1990s, the situation was completely different in the 1970s and 1980s. In those two decades, the number of undernourished people in the world decreased in spite of relatively high population

growth. The investments that were made in the agricultural sector at the time, especially in rural infrastructure and scientific research, prompted a rapid increase in cereal yields.

In poor countries that are characterized by large rural populations, small farms and essentially rural poverty, agriculture can be a driving force for growth and hunger reduction, by providing food, employment and income.

Over the last fifty years we have been told that long-term agricultural growth is an indispensable condition for reducing food insecurity and poverty. Empirical studies indicate that growth in GDP that is originating in agriculture is at least twice as effective in reducing poverty as growth in GDP originating in other sectors of the economy.

To feed the world in 2050, with its 9.1 billion inhabitants of which 70 percent will be in urban areas, food production will need to increase by 70 percent globally and to double in the developing countries.

With limited natural resources, agricultural growth will need to come essentially from higher yields. Key factors in such growth will be access to water and modern inputs, good agricultural practices, land and soil management and targeted technologies. But we also need to tackle the constraints of agricultural commodity marketing and ensure that small farmers receive an adequate income. This will mean resolving the problem of insufficiency and inadequacy of information and communication systems, poor roads, storage and processing facilities, as well as food quality and safety control systems. Moreover, agriculture will have to cope with climate change and its impact on productivity.

But sufficient financial resources are needed to improve infrastructure and modernize agricultural production resources in the poor countries. The proportion of official development assistance (ODA) that is allocated to agriculture, including forestry and fisheries, has fallen from 19 percent in 1980 to about 5 percent today. Agriculture in the developing countries needs 44 billion US dollars per year of ODA to finance modern inputs, rural infrastructures and technologies for the benefit of small farmers.

Investing more in the region's agricultural sector could help resolve hunger in other regions of the world. It is estimated that, with sufficient investment, nearly 10 million hectares of arable land could be brought back into cultivation to grow grains and oilseed crops in Kazakhstan, the Russian Federation and Ukraine.

### **Agenda of the Regional Conference**

At this Twenty-seventh Regional Conference, you will be informed of FAO's activities in the region and will have an opportunity to discuss priorities and implementation of the Immediate Plan of Action for FAO Renewal, the establishment of the network of decentralized offices and the reform of the Committee on World Food Security.

A ministerial round table will be held on measures taken to deal with agricultural and rural development issues in the region.

### **FAO reform**

FAO is currently undergoing the most profound process of reform within the United Nations system. It is renewing its working arrangements and the way it performs its mandate and delivers its services to member countries.

Implementation of the Immediate Plan of Action has been the primary objective of both the Member Nations and the Secretariat since it was adopted at the Special Session of the Conference in November 2008. The main elements of the Immediate Plan of Action are:

- adoption of a planning framework and a new results-based culture;
- decentralization and greater delegation of authority;
- organizational streamlining;
- improvement of human resource management;
- more effective governance.

Since January, the Regional Offices have been responsible for overseeing the programme and budget of technical officers in the region. They will gradually take over the management of technical work of country offices. In addition, staff of regional offices have been trained to assume responsibility for the Technical Cooperation Programme.

To facilitate the alignment of our administrative structure with the results-based framework, a comprehensive restructuring of the Headquarters was initiated in 2009 and is due for completion in 2012. A key element of this exercise has been the elimination of 40 Director-level positions with the aim of producing a flatter organizational structure and hierarchy.

The Independent Chairperson of the Council will explain in more detail the ongoing activities in this regard, especially at the level of Representatives of Member Nations.

### **Reform of the Committee on World Food Security (CFS)**

Last November, the Thirty-sixth Session of the FAO Conference approved another significant reform, that of the Committee on World Food Security (CFS). The purpose of CFS reform is to improve the governance of world food security, using existing structures and programmes and creating effective partnerships. The renewed CFS has the following important characteristics:

- a global forum of discussion to foster a convergence of views on the causes and consequences of food insecurity and on the modalities of action required in this area;
- a mechanism for the global coordination of efforts to eliminate hunger in order to ensure long-term coherence and effectiveness of action;
- a solid scientific basis: the new CFS comprises a High-Level Panel of Experts that will help in taking appropriate decisions by providing objective and impartial research and analysis;
- an openness to all stakeholders: governments, regional and international institutions, economic and financial partners, farmers' organizations, the private sector, non-governmental organizations, foundations and civil society, all will be well represented.

But for the CFS to be a high-level intergovernmental process of decision-making and thus to acquire political legitimacy, governments need to be represented at ministerial level at its meetings. In addition to relevant technical ministries and departments, the

participation of the ministers in charge of cooperation and development is also necessary for the discussion of key economic and financing issues.

At the country level, it is essential to put in place, under the authority of governments, partnerships building on Food Security Thematic Groups and National Alliances Against Hunger, which will need to be strengthened. These two mechanisms should provide support to national authorities which have the responsibility of ensuring a rational allocation and utilization of budgetary resources, official development assistance and private national and foreign direct investments.

Thus, the new Committee on World Food Security and its High-Level Panel of Experts, with the relevant mechanisms at the national level, will constitute the backbone of the Global Partnership for Agriculture and Food Security.

## **Conclusion**

*Honourable Chairperson,*

*Distinguished Ministers,*

*Excellencies, Ladies and Gentlemen,*

Only five years separate us from 2015, the date by which world leaders pledged to reduce by half hunger and extreme poverty. However, if past trends continue, that target may not be reached because actions and resources are not commensurate with the set objectives. Nevertheless, I am convinced that together we can eliminate hunger from our planet. But for that, we need to move forward from words to deeds, and above all to do it quickly.

During the last fifteen years, several countries in Africa, Asia and Latin America have succeeded in increasing agricultural production and significantly reducing the number of undernourished people living in their territory. So we know what it takes to defeat hunger.

If we are to feed the world, agricultural policies everywhere must be based on that perspective. We need to produce more in the developing and transition countries first, but also in those countries that still have unused production potential. And for this effort to benefit the poorest and the hungry, the rules of international agricultural trade will need to facilitate the goal of eradicating world hunger, as was unanimously recalled by the 193 Members at the Summit of Heads of State and Government last November at FAO.

Before closing, I should like to emphasize the key role of the European Union, within the Europe and Central Asia region, as partner of FAO for the technical and financial assistance that is provided to developing countries in the spheres of agriculture and rural development. Besides its contribution to the regular budget, the European Union is FAO's leading partner with, in 2009, a contribution of 365 million US dollars to the Organization's extra-budgetary resources. FAO wishes to further strengthen its excellent collaboration with the European Union and its institutions. This particularly effective collaboration is today heralded by many partners. I hope that in the future we can continue along the same lines and together win the fight against world hunger.

I wish you every success in your work and thank you for your kind attention.