



*10 September 2012*

## **INFORMAL SEMINAR FOR PERMANENT REPRESENTATIVES**

### **OPENING REMARKS BY THE DIRECTOR-GENERAL OF FAO**

**Ladies and gentlemen,**

I would like to welcome all of you back to FAO. This is our third informal seminar this year. We have three points on our agenda: food prices; a follow up to Rio+20; and the next steps of the strategic thinking process.

Let me start with brief comments on food prices. As we all know, they did not take a break during summer. The FAO Food Price Index went up by six percent in July, after going down during the three previous months.

Prices remained relatively stable in August, as shown in the Food Price Index released last week. Nevertheless, some fear that we might have a repetition of the price hikes that we saw in 2008. I have 3 main messages that I want to share with you on this subject.

My first message is that we are facing a very different situation now and that we have all the tools to avoid a repetition of the past. When I say “we”, I refer to the national governments and the international community.

At the international level, AMIS, the Agricultural Market Information System, provides us with a coordination mechanism that did not exist before.

At national levels, governments have been implementing all sorts of policies and actions to protect vulnerable populations from the impact of high international prices and to boost local production. Some of the measures that governments have implemented are listed in the “The Guide for Policy and Programmatic Actions at Country Level to



Address High Food Prices”. FAO is currently revising this document which was published in 2011. We will soon share the updated version online.

My second message is to remind you that 22 countries - mostly in Africa - already face a protracted crisis, according to FAO’s State of Food Insecurity in the World. It is important that international assistance be maintained, especially for these countries. We will update you on the immediate actions that can be taken to increase food security in them. I ask you to share this information with your Capitals.

My third message is that high food prices present an opportunity to boost agricultural production, especially in developing countries. This, however, will not happen alone. Public and private investments are needed. Again, I believe the exchange of information on this matter may benefit us all. I would like to invite the Permanent Representatives, especially from agricultural exporting countries, to provide us with a note on the actions their countries are taking. I am sure this would be of interest to the international community.

In a nutshell: we need to remain vigilant and take action to protect the vulnerable populations, but it’s not the time to panic: the current situation does not justify talk of a world food crisis. It’s time for responsible action by all actors.

Responsibility also means considering the future impact of the actions that we take today. That is a central idea behind the concept of sustainable development, which was discussed at the Rio+20 Conference. I want to highlight two points.

First, I want to call your attention to the fact that the fight against hunger and extreme poverty is clearly set as central to sustainable development. That was a key message that the Rome-based agencies took to Rio.

And, second, let me point out that our work did not end with Rio+20. It is only beginning. As you will see later on during this seminar, the agreements reached in Rio affect the work of FAO in many senses.



**Ladies and gentlemen,**

This has also been a busy summer inside FAO, and we have continued our work on strategic planning. After the support you expressed during the Council in June, we have been further refining our proposed five crosscutting strategic objectives and preparing action plans for their implementation.

We will continue to have widespread internal and external consultation during this process. Last week we had another round of reviews with external experts. And, in July, we received inputs from other FAO partners, including the Rome-based and other UN agencies.

We are also continuing to have consultations with Governing Bodies and Member countries. The strategic thinking process is clearly an effort on which the Secretariat needs to receive your guidance. I want to thank you for the constructive debates during this process.

We have had many formal and informal conversations so far. The strategic thinking process has been discussed in every Governing Body session, and in every committee session this year. As much as these debates are necessary and will help improve our work, let me point out the risk we run of having too many seminars and too little time to actually get to work. And now it is time for action.

**Ladies and gentlemen,**

As I told you during the June Council, the Secretariat is continuing to work on the institutional strengthening of FAO. Among the actions already approved by the Member States and in different stages of implementation are:

The transformation process of the Technical Cooperation Department;

Continued streamlining of administration, in particular, the Corporate Services Department.



Repositioning the Conference, Council and Protocol Affairs Division under the DDG-O, consistent with the guidance from the IPA process. In this way, the CSC Director will also participate in the Senior Management Meeting and have a continuous contact with Members.

As was also noted by the June Council, the Secretariat will propose at its next Session further transformational changes to improve the effectiveness and efficiency of the work of the Organization. They include:

Consolidating all library services under the guidance of OEK;

In line with the recommendations of the evaluation on FAO's work and role in Nutrition, moving the food security and nutrition capacity of the current AGN Division to the ES Department; and,

At the same time, enhancing the visibility of its standard setting and food safety components, including Codex Alimentarius, by placing them in the Office of the ADG, Agriculture and Consumer Protection Department.

### **Ladies and gentlemen,**

When I addressed the FAO Council as Director-General elect in December 2011, I said that changes in senior management should be seen as natural in any organization that has undergone a democratic process. I also said that I would do my best to ensure as smooth a transition process as possible.

I started with a senior team entirely put in place by the previous administration. I have made a few small adjustments during the past months and will accelerate this process in the next weeks.

I have already started individual discussions with the actual incumbents, maintaining, on my part, the discretion that is necessary at this stage.



I am bringing to FAO leading figures in economic and social development, food security and agriculture. Thinkers who understand the new dynamics of development and are capable and willing to transform ideas into action. In this regard, I want to take this opportunity to welcome Jomo Sundaram, our new Assistant Director-General for Economic and Social Development. Until recently, Jomo was the United Nations Assistant Secretary-General for Economic Development.

I am also keen to find a better balance in national representation, especially at senior levels. Let me give you just one example to illustrate the imbalance that exists today. I took a sample of countries that are recognized to be among the most important groups worldwide, the G-20. Even within this group there is great concentration, especially at the higher levels.

G-20 countries had a total of 312 (Three Hundred and Twelve) posts at P5 level and above at the end of August, according to the list provided by Human Resources. Fifty percent of these positions are occupied by nationals of only three countries. And 75 (seventy-five) percent belong to only five countries.

That means that even when you consider the distribution of posts inside one of the groups that includes our most important donors and count just the number of incumbents without weighting them according to the level of the post, we still find a huge concentration of power:

One out of every two of our senior staff members come from only three G-20 countries.

Three out of every four come from only five G-20 countries.

I believe that I don't need to go on arguing that we need urgently to rebalance our senior management team.



I also want to recall to you our joint commitment to improve gender balance. I have to say that we are having difficulty to recruit really good candidates. I ask you for your help in identifying qualified women who can contribute to our work in FAO.

Ladies and gentlemen,

I would like to point out the financial situation we are in. FAO has received only 54% of 2012's assessed contributions. Many Members are assuring us that significant payments are expected to be made before the end of the year.

Nevertheless, I would invite all members to contact their Capitals on this matter. We need to have precise information about the expected payments to have a better future expenditure planning. I would also ask those members that have already paid this year's contributions to enquire their Capitals about the possibility of anticipating next year's payment to the end of 2012.

In the last few years, several countries have done that, and I would like to list them: Canada, Chile, Latvia, United Kingdom, Israel, Turkey, Colombia, Kazakhstan, and Hungary. Hopefully, some of them may be able to repeat this and others members may join the list.

These measures will help us to avoid the need to borrow externally to cover operational needs in the last quarter of this year.

Finally, I want to refer again to trust, an underlying theme in all our conversations. I continue to carry out my work in a transparent manner, dialoguing as much as possible with all of you, individually and in groups.

I believe that frank exchange and open communication is necessary to rebuild the trust we need to have in each other if FAO is to fulfill our mission. We are implementing several initiatives to improve our communication with Member Countries. And also with FAO staff.



Communication is an important issue in all organizations. Management as a whole must assume this duty to provide accurate and timely information. This is especially necessary in an organization like FAO. But despite our efforts so far, Radio Corridor remains very active. In some cases, rumors and gossips have spread even outside the house. The noise that is being generated is unfortunate. It is disrespectful to the people involved, damaging to the institution and increases tensions that exist during transitional times.

However, it will not make us stray from the path we are on to build a more efficient, more balanced Organization that is better prepared to respond to the challenges that its Members face today.

Thank you for your attention.