



13 March 2013

Joint Meeting of the Programme and Finance Committees

Chairpersons and Members of the Programme Committee and the Finance Committee,

Independent Chairperson of the Council,

Excellencies, Ladies and gentlemen,

Since I took up office in January 2012 we have worked together to refocus the strategic direction of FAO; enhance the decentralized offices network; and strengthen the organizational structure.

In this process, we have also set the bar high on efficiency and value for money by finding unprecedented levels of savings.

Now, it's time for the next steps. As you consider proposals before you, I ask that you keep in mind the tremendous cost saving efforts we have already made.

A fundamental aspect of the transformation of FAO has been the review of the Strategic Framework.

It is the basis of the new Medium Term Plan and Programme of Work and Budget for 2014-2015 that you will consider this week.

This document presents in very concrete terms how we will translate FAO transformational change into concrete results in the next biennium.



To reach these objectives, we will implement a Programmatic approach, with Organization-wide participation.

We have already started. The Strategic Objective Coordinators and the ADGs are already working together within a new internal governance structure under my personal direction.

This will ensure that the details of the implementation arrangements, to take effect with the new PWB, are designed with a corporate approach.

In order to deliver the Programme of work effectively in the next biennium, we have identified areas of priority which require adjustment to the organizational structure, and some that will need incremental resources.

The organizational structure we are presenting is the one that we believe best fits our needs. A trio of senior managers will report directly to the Director-General on the substantive work of the organization.

The position of Deputy Director-General Knowledge is proposed to be transformed into DDG Coordinator for Natural Resources, with the abolition of the position of ADG NR and of NR as a separate department.

Let me stress that the technical work and expertise currently in NR will continue in the new DDG office. Its relevance and impact will be enhanced with greater synergy with agriculture, fisheries and forestry and by breaking down silos of the past.

Considering the increasing relevance of the economic and social work and the need for more integrated approaches to effectively fight hunger and malnutrition, the ADG ES will report directly to me.

No changes to the DDO structure are being proposed.

We also propose to strengthen the functions of communications, partnerships and advocacy, including gender advocacy, by splitting the current Office for Communication and Partnerships into two offices.

The PWB also identifies three priority areas which will need incremental resources to ensure delivery of the Programme of work:



First, the enhancement of Technical Cooperation Programme, that will focus on addressing priorities in the country Programmings frameworks aligned with the strategic objectives.

Second, the communication, partnerships and advocacy effort.

And, third, the social protection capacity relating to Strategic Objective 3 on rural poverty.

Let me say a few words on social protection, which includes remittances from migrants, cash transfers, cash vouchers and food for work Programmes and other similar policies.

Social protection has proven to be a key and effective driver for alleviation of food insecurity and malnutrition. In Latin America and the Caribbean, for example, over 120 million people participate in some sort of cash transfer Programmes.

Experience from around the world shows that although increasing food production in a sustainable way is central to eradicating hunger, it is not enough. We need more comprehensive strategies to achieve food security.

Social protection is an important element of these strategies. It provides a buffer to the most vulnerable families and can also be linked to productive policies in agriculture and other sectors creating win-win situations.

Ladies and gentlemen,

As I was saying, we need additional funds to fulfill the proposed Programme of work.

We have already managed to identify opportunities for reallocation of resources within the PWB to meet most of the additional resources we require.

However, we are still 10 million US dollars short. This represents a 1 percent real increase over the 2012-13 budget level for our Programme of work.

I realize that asking for a budget increase, however small, may be considered difficult for some countries in the current global economic situation.

But if we take a close look at what we are asking, it is pocket money for most countries. Nevertheless, its symbolic value is enormous.



Divided by the total FAO Membership, this increase represents a small amount for each Member State.

Let me add that for some Member States, the proposed 2014-15 budget will actually translate in a decrease in the level of assessed contributions, due to the expected changes in the scale of contributions for the next biennium.

According to the proposed scale for 2014-2015, 7 out of the 10 major contributors to FAO's regular Programme budget would actually be paying less than they pay in the current biennium.

Let me repeat: 7 out of the 10 major contributors to FAO's regular Programme budget would actually be paying less than they pay in the current biennium. Despite the proposed budget increase.

So I want to go further: I want to ask Member States that will see a reduction in their assessments to make up for them through more voluntary contributions to FAO.

In many cases, contributions to FAO have already been foreseen and it might even be harder for countries to use these funds elsewhere, according to my own personal experience.

This can be done either by investing these funds in Programmes that are in line with the strategic objectives we are proposing, or strengthening the Associate and Junior Professional Officer Programmes which have proven to be very effective in bringing new people to FAO.

I am pleased to say that I have discussed these issues in recent missions and that I have received positive responses.

Ladies and gentlemen,

The resources required to deliver the Programme of work in 2014-15 have been calculated at current cost levels.

To do so, we need to estimate the cost increases, which arise mainly from increases in staff costs.

Please note that this does not mean an increase in staff posts. In fact, the PWB document foresees a net decrease of 2 posts.

This is in addition to the 54 posts already eliminated in the current biennium. Let's not forget them.



In connection to this, the Finance Committee this week examined the just published 2012 annual valuation of staff related liabilities prepared by a firm of external actuaries.

The impact of this valuation is an estimated staff cost increase which is USD 10.8 million lower than the previous estimate used to prepare the PWB document in January.

In any case, the trend of increasing staff costs remains a concern for the Organization. We need your guidance on tackling this fundamental problem for the future.

I myself am trying to lead by example to contain internal costs.

The total cost of ODG office fell over 10 percent in 2012 in comparison with the previous four-year average.

I fly on low-cost airlines whenever possible. This has contributed to a significant reduction of over 30% in ODG's travel expenses if compared to the previous 4-year average – even though I still visited over 40 countries in my first year in office.

I have decided to keep for now the official car currently assigned to me, despite the fact that it already has six years of use.

My housing expenses are well within the ceiling established by the Conference. Despite the costs of settling in a new country and in a new home, I have spent 20% less than the authorized amount.

With regards to the savings obtained by my lower rental costs, I would like you to consider using them towards a concrete benefit for the work of the Organization – such as Telefood projects.

In many countries, Telefood projects are important and provide a good way to show how we can make a difference with a small amount of money.

Ladies and gentlemen,

While we have refocused our strategic direction based on our comparative advantages, we recognize that FAO cannot work in a vacuum in order to achieve its objectives.

This is why I have pressed for the need of building meaningful partnerships.



Today you will consider strategies for partnerships with the private sector and civil society. While these two types of partnerships are distinct, they are equally important for FAO.

In preparing these revised and updated strategies we have taken due note of the guidance you provided in your last session, and of the recommendations of the Council. And we have held extensive informal consultations with Member States and regional groups.

Now, I urge you to recommend these strategies for approval by the Council.

Among the other issues you are analyzing this week is the review of the final and comprehensive report on the Immediate Plan of Action, the IPA. We have come a long way thanks to the work of members and the secretariat.

And I am pleased to say that we are now on the brink of achieving full integration of the IPA actions into the regular activities of the Organization.

Ladies and gentlemen,

I realize the extent of workload and responsibility on your committees this week, especially with regards to the PWB.

Your technical analysis and findings in this regard will be invaluable. They will enable the Council to make recommendations so that the Conference can take political decisions on the future strategic direction of FAO, its medium term plan, and on our Programme of work and budget over the next two years.

As always, my staff is at your disposal to provide the clarifications you need to reach your conclusions.

I wish you fruitful deliberations.

Thank you for your attention.