



7 November 2012

Joint Meeting of the Program and Finance Committees

Independent Chairperson of the Council,
Chairpersons of the Program Committee and the Finance Committee,
Members of the Committees,
Ladies and Gentlemen,

I am pleased to join you at this session of the Joint Meeting.

The Finance and Program Committees and the Council have already supported the initial improvements we have introduced this year to improve the way we do business and to increase efficiency.

These measures map a clear strategic direction for the future of the Organization and are designed to achieve real impact at country level.

In your meetings this week, you are receiving updates on the progress of improvements already approved at the last Council.

These relate to human resources management, communications and partnerships, strategic planning, decentralized office network, and the technical cooperation department.



Let me note that we just finished the transformation of the TC Department, following the recommendations of the Evaluation of FAO's Role and Work in Food Agriculture Policy. I want to take this opportunity to praise the quality of this report.

We are also working to deliver the best value for money.

A clear example that is on the way is the implementation of the Global Resource Management System – G-R-M-S, and of the International Public Sector Accounting Standards – IPSAS.

The Finance Committee will be updated on their implementation this week. Before I took up office, these processes had suffered repeated delays and always needed budget increases.

I am pleased to say today that we are back on track to meet the established deadlines and that we will not need additional resources.

IPSAS accounting standards should be fully functional by 2014. And GRMS went live yesterday at headquarters and regional offices.

It will be gradually deployed to all sub-regional and all country offices by May 2013.

When this happens, for the first time we will have connected every FAO office into one unified system.



This is a major step in our decentralization process and will further enable our ability to function as one.

It will streamline our administrative work, make it more efficient and allow for better internal control in areas such as finance, administration, human resources and travel.

This will also allow us to implement an online monitoring system of what is being done on the ground.

I want to congratulate those involved in this process for the ongoing work.

Ladies and gentlemen,

The structural strengthening of FAO is an ongoing process. You will consider further enhancements this week.

These include elevating the visibility of Codex Alimentarius in AG Department and consolidating our core nutrition capacity in ES Department, in line with the recommendations of the evaluation on nutrition.

Another issue that you will discuss is partnerships. We all recognize that we must work closer with civil society, NGOs, cooperatives, and the private sector.

That is why FAO is implementing the open doors policy I announced at the beginning of this year.



This means bringing our partners into FAO and making them more present in our day-to-day work at Headquarters and in the field. This means increasing their participation in the policy debate at the national, regional and international levels.

This week you will consider another important piece of this puzzle: the strategies for civil society and private sector.

Ladies and gentlemen,

A key driver of FAO's transformational change is the Strategic Thinking Process I launched when I took up office.

Five strategic objectives have emerged from this process. Summarizing them, they are:

First, to eradicate hunger.

Second, to increase sustainable production;

Third, to reduce rural poverty;

Fourth, to enable more inclusive and efficient food systems; and,

Fifth, to increase the resilience of livelihoods.

These five objectives form the core of the reviewed Strategic Framework of FAO, which must drive the future of this Organization.

In this session, the Program and Finance Committees will consider the five strategic objectives for endorsement and transmittal to the Council.

You will also discuss an outline of the Medium Term Plan for 2014-17.



Your endorsement of the objectives and your comments on the outline of the Medium Term Plan are a crucial step in preparing the Program of Work and Budget for 2014-2015.

The next PWB will only be presented for your consideration early next year. But it is important to already reflect on the resources that will be needed to deliver our agreed programs and activities.

The budget is a contract between Members and Management to carry out the approved work plan.

In setting the next budget, I ask you to consider the changes and savings we have made so far with great effort.

This is not money that is simply lying around. These are much needed resources to improve the delivery of our work.

We reallocated this new found surplus from the operational to the knowledge arm of the organization, financing also part of the five working plans to implement the strategic objectives that we are already working on.

Being straightforward and transparent, we have not hidden the additional savings and efficiencies in accounting details.

In the same spirit, we hope that we will not be punished with reductions in the next budget for having found these savings and for being transparent.



We are showing that we can do better with the same money. But we need an adequate budget level if we are to make a difference. And we cannot do what we need to do with future budget cuts.

While we are on the issue of budget, I also want to discuss our current budget. I recognize that some Member countries have faced extraordinary circumstances this year and that this happens from time to time.

But we also need to recognize that the assessed contributions to FAO do not cause a dent in the budget of our Members. In fact, compared to their total budget, FAO's contribution is pocket money for most of the countries.

On the other hand, late payments force the Organization to borrow money to meet its basic operating expenses. We will reach the worst situation in the next couple of weeks if new payments are not made during November.

Ladies and gentlemen,

In another issue, the Program Committee will consider this week the report of the Peer Review of the Evaluation Function.

Evaluation is a key tool not only to assess how we are performing, but also to give us feedback on our ongoing activities. Equally important, internal and external evaluation should help us learn and improve our work.

This is true for any organization, but is especially relevant for FAO – a knowledge organization, with operational activities at the field-level, and moving towards crosscutting strategic objectives.



And unfortunately FAO does not have an adequate internal evaluation capacity to provide feedback for managers on ongoing activities.

That is why I propose that we take the opportunity of this Peer Review report not only to consider its specific findings, but also to identify the most efficient way to improve the evaluation capacity within the overall context of the oversight structure of the Organization.

My proposal is to anticipate what we can call the “evaluation of the evaluation”.

I believe this is in the best interests of the Organization. Therefore, I seek the endorsement of the Program Committee to initiate a comprehensive assessment of the Evaluation function.

If approved this week, the results could be presented to you its results in the next session of the Program Committee.

This would give us time to appoint the new head of the Evaluation Office with new Terms of Reference.

Ladies and gentlemen,

Finally, I would like to update you on where we stand with the Deputy-Directors-General positions.

I will present the name for the position of the DDG Operations to the next Council Session for endorsement, in line with standing practice and the rules of the Organization.



The position of DDG Knowledge will remain vacant for the moment.

For the time being, I have designated the ADG of the Fisheries and Aquaculture as coordinator of the crosscutting activities within the Knowledge Arm to assure that the work will continue to be done in the proper way.

Let me remind you that DDG positions have remained vacant in the past, even when there was only one DDG.

I also want to remind you, once again, of the importance of having a clear line separating our complementary and constitutional duties of guidance and management.

If we cross that line, it will be impossible to regain the confidence that members need to have in the Secretariat. I have this very clear in my decisions and ask you to do the same.

Let me also take this opportunity to say that we are constantly looking for ways to facilitate interaction between Members and the Secretariat and improve our communication through the new and revised Conference, Council and Protocol Affairs Division.

Your comments and suggestions on the best way to improve our communication are welcome.



Chairpersons and Members of the Committees,

I want to end by congratulating the people of the United States, who have just re-elected President Obama. In his victory speech, he said that while the road has been hard and the journey long, the best was still to come. I hope that this is also true for FAO.

The measures you will consider today in the Joint Meeting are interlinked with our shared objective for a more efficient and effective FAO.

I wish you fruitful deliberations. Thank you for your attention.