



31 May 2012

Joint Meeting of the Programme and Finance Committees

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

I am pleased to join you at this special session.

Your Committees have an important role in advising the Council on FAO's strategic priorities and programs.

Your deliberations and recommendations, in your governance role, will help me, in my Management role, to make FAO more effective.

A fundamental ingredient for us to move forward, as I have mentioned before, is trust. As I told the Council last December, and I quote from that statement:

“Rebuilding trust must be based on the recognition that we – the Member Countries and the Secretariat – have shared goals and complementary responsibilities, as clearly established in our Constitution. Trust requires that we work together with total transparency.”

To rebuild trust I have been engaging in conversations with you, the members, and with different stakeholders inside and outside the Organization, in formal and informal settings. As you may have already noted, I have been transparent in my work.



Last week, you received an informal briefing from my senior staff on the main issues you will be deliberating this week. The measures you will consider represent a milestone in implementing the work of this Organization to achieve our shared goals and objectives.

I want to start by talking about the process of transformational change we are undergoing to improve our performance, our results and our impact. I initiated this immediately after taking up office.

It consists of two fundamental elements:

- First, a strategic thinking process to better focus FAO's resources, providing greater value-for-money;
- Second, an institutional strengthening to improve FAO's normative and standard setting work and to enhance impact at the country level.

We are advancing well in the Strategic Thinking Process, which is an inclusive process, involving consultations with Members, FAO staff, external experts and partners.

As you know, members are being consulted in every governing body session this year: regional conferences, technical committees, programme and finance committees and Council.

Staff is involved directly in formulating elements of the Strategic Framework, as well as through discussion via senior management. In addition, a corporate staff survey involving all professional staff of the Organization was conducted.

The process has also benefited from the expertise of the independent external Strategy Experts Panel, who has provided very valuable insights.

Let me turn to what we accomplished so far in the Strategic Thinking Process.



First, we identified eleven major global trends that have direct implications on the areas of FAO's mandate.

- In the second step, based on these trends we identified seven global challenges faced by members, related to food security, sustainable production, nutrition, rural livelihoods with a focus on gender equity, inclusive agricultural systems, resilience and governance.
- In the third step we prepared five draft Strategic Objectives on what FAO should do to address the challenges. We did this by considering the challenges in the context of FAO's basic attributes, core functions, and comparative advantages.

At this session, we seek your inputs to the work done so far and, especially, to the Strategic Objectives. Your comments, and those of the Council in June and the technical committees this summer, will inform the review of the Strategic Framework.

Let me briefly explain the next steps for our work together.

In November, we will submit to the Council the revised Strategic Framework. We will also submit to you an outline of the action plans to transform these priorities into concrete action.

Management will then, prepare the Medium Term Plan and the Programme of Work and Budget for the next biennium. They will be reviewed by the Programme and Finance Committees and the Council in the first quarter of 2013.

The current Programme of Work and Budget will continue to be fully implemented as approved by the Conference and in line with the existing Strategic Framework and Medium Term Plan.



At the same time, we will prepare the transition necessary to focus our activities at fewer and more cross-cutting objectives, emerging from the Strategic Thinking Process. With your support, all this can be done before the Conference.

Ladies and gentlemen, let me turn to the second, but equally important element of transformational change that are being implemented: the institutional strengthening needed to improve FAO's normative and standard setting work and to enhance impact at the country level.

Three main changes are being implemented simultaneously:

- We have reviewed in the Regional Conferences the structures and technical mix we have and that we need. Based on this, concrete measures for enhancing the structure and functioning of the decentralized offices have been formulated;
- We are improving recruitment and evaluation of FAO representatives in the countries; and
- We are making sure the transfer of responsibilities and accountability is accompanied by the capacities needed to implement and monitor them.

These three measures respond to guidance received from the members at the 2011 FAO Conference and the last Council.

I would like to emphasize two issues relating to decentralization.

First, decentralization aims, at the end, to improve delivery at the country level of all our work, including the public goods we provide. This does not, and will not, mean weakening our technical capacity or normative work at Head Quarters. Not only is our work at the global and local levels compatible, they are both necessary and complementary.



I have been repeating this day and night since I launched my campaign for Director-General eighteen (18) months ago. The figures presented now officially document this principle, that is not only fundamental for some developed countries, but for all members of the organization, and that I fully support. If we are working together to regain trust it is now time that Member countries express that what management has already presented fits our commitment to improve country-level impact without weakening technical capacity and normative work at Head Quarters.

Second, we are advancing on this crucial aspect of FAO reform and FAO effectiveness without increasing our current budget. I have not requested additional funding from Member Countries for improving decentralization or expanding coverage. We will work within the limits of the approved 2012-13 budget, but we are still looking for more efficiency savings.

Ladies and gentlemen, today you will also review further adjustments to the current Programme of Work and Budget (PWB).

You will recall that at its last session the Council approved adjustments to the PWB for this biennium, in line with the guidance of the Conference.

The Council also noted that the Governing Bodies would examine and further adjust the PWB in 2012. The further adjustments you will consider today are based on my vision for transformational change of FAO, and are consistent with the guidance received from the Members.

As requested by last Council, I have put in place measures to achieve savings of US\$ 6.5 million.



More importantly, I have gone further in achieving additional biennial savings of US\$ 19.3 million. This is not an easy exercise, but it is essential to make FAO more efficient.

These additional savings result from the critical review of post structure in administrative and support functions, streamlining and selective institutional restructuring in line with transformational change.

The measures for structural strengthening at Head Quarters are consistent with the guidance of the Members linked to discussions of FAO reform. Especially those recommendations that focus on an enhanced corporate communication capacity, and a more effective human resources management function.

The resources identified will be reallocated to strengthening decentralized offices, bolstering interdisciplinary activities at global level and, of course, updating the strategic planning and monitoring the new priorities.

Roughly half of these further savings – US\$ 10.4 million - will be used to strengthen our decentralized office network and US\$ 6.8 million is proposed to be reallocated to strengthen interdisciplinary technical work in line with the areas of focus emerging from the Strategic Thinking Process and the Regional Conferences. This will be done by placing these resources in the Multidisciplinary Fund, which has been unable so far to give the expected results because of excessive dilution of resources.

Let me stress that the reallocation from additional savings identified thus far represent only two percent of the net budgetary appropriation approved by the Conference in 2011.

It's a small amount, but that will help to strengthen the implementation of our Programme of Work as we transition to focus on priorities that have emerged



from the strategic planning exercise and consultation with Members in the governing bodies.

I am committed to continue to improve the capability of the Organization to better deliver on its mandate and objectives. In the second half of 2012, I will develop further progressive transformational proposals for consideration by the Council in November via the Programme and Finance Committees. This will include looking for further efficiency savings in the operational branch of the organization.

Chairpersons and Members of the Committees,

In conclusion, the measures you will consider today are all interlinked with our shared objective for a more efficient and effective FAO. They build on the guidance received from the Membership, and my vision for transformational change. The drive for greater value for money and efficiency will enable us to better identify and address the challenges before us.

You have an important role to play in the governance of FAO. The issues you will consider today are critical to making the Organization more effective in bringing an end to hunger in the world.

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