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l'agriculture

Organización
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Unidas
para la
Agricultura
y la
Alimentación

TWENTY-FIFTH FAO REGIONAL CONFERENCE FOR EUROPE

Riga, Latvia, 8-9 June 2006

STATEMENT BY THE DIRECTOR-GENERAL

Mr Chairman,

Distinguished Ministers,

Honourable Delegates,

Excellencies,

Ladies and Gentlemen,

Introduction

It is an honour and a great pleasure for me to be here with you at this Twenty-fifth FAO Regional Conference for Europe which is being held this year in the thriving capital of Latvia.

I should like to express my deep gratitude to Latvia for the warm welcome and the hospitality extended to the delegations. I should like to thank the Government of Latvia in particular for its generosity in having facilitated the attendance of the low-income food-deficit Member Nations of the region by covering their travel and accommodation expenses.

I should also like to take this opportunity to warmly welcome the Russian Federation. The return to FAO of this important agricultural country is a significant event that reinforces the universal nature of the Organization.

State of food insecurity in the world and in Europe

Hunger and poverty are the two major scourges of humanity. The World Food Summit of 1996 and the Millennium Summit therefore set the goal of halving hunger and undernutrition by 2015.

The number of undernourished people in the developing countries fell by 26 million during the first half of the 1990s but then rose by 23 million during the second half of the same decade.

Global *per capita* food production has steadily risen for the past 30 years. Yet, 854 million people are still undernourished in the world, including 820 million in the developing countries, 25 million in the countries in transition and 9 million in the industrialized countries.

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Hunger and malnutrition in Europe are concentrated in the Balkans and in the Commonwealth of Independent States (CIS), where the majority of the poor depend on agriculture. It is therefore important for these countries to ensure economic growth in their rural areas in order to raise *per capita* income.

Food insecurity is exacerbated by:

- man-made disasters (war, conflict, political and economic instability with their ensuing problems of refugees and displaced persons);
- natural disasters (prolonged drought, floods and hailstorms); and
- the absence or inadequacy of social safety nets.

Development of agriculture in Europe 2004-2005: outcome

Agricultural production

Per capita agricultural production in Europe has remained relatively stable during the last ten years, rising by only 5 percent in Western Europe and by 7 percent in the countries of the CIS. During the same period, crop production rose by 17 and 24 percent in Western Europe and the CIS countries, respectively, while livestock production fell by 18 percent in the CIS countries and only rose by 3 percent in the countries of Western Europe.

Fisheries and aquaculture

Fish production remains stable, as does *per capita* fish consumption which averaged 19.8 kg in 2001. Total aquaculture production in 2004 amounted to 2.2 million tonnes. Aquaculture production – mainly in freshwater ponds – increased in Central and Eastern Europe, following transition to a market economy. In Western Europe, marine aquaculture has expanded in these last ten years, rising from 20 000 tonnes in the early 1990s to 1.7 million tonnes in 2003.

Forestry

Europe's forests perform important ecological, economic, social and cultural functions. Its forest area in 2005 (excluding the Russian Federation) covered 193 million hectares, an increase of 7 percent from 1980. Europe is the only major region to have had a net increase in forest area for the period 1990-2005. However, the health of its forests is compromised by fire, insect infestation and disease.

Agricultural trade

Europe's agricultural exports in 2004 amounted to some US\$306 billion, which was 17 percent higher than the previous year. Its agricultural imports were approximately US\$330 billion, up almost 16 percent from 2003. Its agricultural trade balance for 2004 was therefore in deficit by some US\$23 billion.

The countries of Eastern Europe and the CIS have run an agricultural trade deficit for the last ten years, with the 2004 deficit totalling US\$12.9 billion.

Constraints

Water

Water represents a constraint on agriculture in the arid countries of Central Asia, in the Caucasus and in the Republic of Moldova, especially where cotton is the main crop.

Infrastructure: roads, storage and markets

Communications and road links remain an important constraint on agricultural production in the poorest countries of the region. The rural populations are also affected by a lack of access to clean water, electricity and gas as well as to adequate healthcare and education facilities. Investment in rural infrastructure is essential if further investment is to be encouraged.

Transboundary animal diseases

Transboundary animal diseases (foot-and-mouth, bluetongue, brucellosis) pose serious problems in the region. There is also growing concern over avian influenza, as the H5N1 virus has now been detected in twenty-five countries of the region (including the countries of Central Asia). FAO has always advocated an approach based on prevention, with the training of national officers in early detection and in the control of transboundary diseases, together with the mobilization of international expertise and financial resources. In this connection, I am most appreciative of the close cooperation that exists between FAO and its major partners in the region, that is, the World Health Organization (WHO), the World Organisation for Animal Health (OIE) and the European Commission, in the control of these animal diseases.

Financing

It is encouraging to note that loans and credit granted by the World Bank and the European Bank for Reconstruction and Development in support of the agricultural sector increased from US\$5 billion in the 2002 financial year to US\$7 billion in the years 2003 and 2004, with 20 percent for agriculture and 30 percent for rural infrastructure.

Agenda of the Regional Conference

We are here today for a Conference that has a new format and a much reduced duration, as agreed with the European Commission on Agriculture.

The Regional Conference will be looking closely at two important topics:

- the contribution of rural development to the realization of the World Food Summit objectives and the Millennium Development Goals; and
- the strengthening of regional cooperation for the control of highly pathogenic avian influenza.

Finally, I eagerly await the recommendations from the Ministerial Round Table on the "role of FAO as provider of global public goods".

Outcome of the Thirty-third Conference of FAO

The Thirty-third session of the Conference of FAO, which was held in Rome in November 2005, adopted a budget of US\$765.7 million for the 2006-2007 biennium, which represents zero nominal growth plus security expenditure and US\$6 million for priority programmes. The FAO Conference also examined my proposals for reform of the Organization. It approved, among other matters, a number of changes to the organizational structure at Headquarters from 1 January 2006, together with the implementation of decentralization proposals limited to one region and the opening of a subregional office in another region. I have decided to begin with the Africa region and the Central Asia subregion.

FAO will also have to raise an additional US\$15 million in voluntary contributions to cover the transition costs of reform.

The Programme of Work and Budget 2006-2007 has therefore been revisited to accommodate these initial changes in the organizational structure at Headquarters and the decentralized offices and to place special emphasis on the dissemination of knowledge and on the building of capacities in the developing and transition countries.

Main challenges and prospects in the region

Mr Chairman,

Excellencies,

Ladies and Gentlemen,

The agricultural sector dominates the economies of a majority of the countries of Central and Eastern Europe and the Commonwealth of Independent States. It is basic to food security as a source of livelihood for a majority of the population, providing income, foreign exchange

earnings and gainful employment. And yet it remains a vulnerable sector. The potential for increasing agricultural output in the countries of the region is great. Actual crop and livestock yields are markedly lower than the results of research trials. If they are to meet their development objectives, the countries of the region need to increase their food supplies and exports and to develop their human and institutional capacities, technology transfer, delivery systems and infrastructure.

The lasting solution for the improvement of agricultural performance in the countries of the region lies largely in the transformation of agriculture through National Agricultural Research Systems (NARS) able to generate and transfer productivity-enhancing and market-oriented technologies. Enhancing the research capacities of the NARSs requires the active collaboration of policymakers, educators, extension workers and clients.

The countries of the region and of the CIS, in particular, continue to have the highest incidence of cardiovascular disease in the world. This is essentially due to poor nutrition and is an issue that needs to be addressed from the producer perspective, while educating consumers with WHO assistance. In this connection, I greatly appreciate the collaboration that exists on this matter between the WHO Regional Office and the FAO Regional Office in anticipation of the Ministerial Conference on Counteracting Obesity, which will be held in Turkey in November this year.

Many countries of the region have to deal with the liberalization of agricultural trade in the framework of the WTO and its impact on food security and poverty alleviation. What is important is to align market reforms with effective policies and investments that will enable the poor to seize the opportunities of trade, while putting safety nets in place to protect the vulnerable segments of society.

The developed countries could help these countries draw tangible benefits from international trade by facilitating access to their markets. The European Union can play a fundamental role in improving the welfare of the countries of the Balkans and the CIS, especially of their rural populations, by facilitating the integration of trade. This is particularly important for agriculture.

FAO will continue to work closely with its development partners and with individual governments of the Balkans and CIS subregions to strengthen their agricultural sectors and alleviate poverty in their rural areas.

I wish you a successful meeting and thank you for your kind attention.