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منظمة الأغذية
والزراعة
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Food
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des
Nations
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pour
l'alimentation
et
l'agriculture

Organización
de las
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para la
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CONFERENCE CONFÉRENCE CONFERENCIA

Thirty-second Session • Trente-deuxième session • 32° período de sesiones

Rome, 29 November – 9 December 2003
VERBATIM RECORDS OF MEETINGS OF COMMISSION II
OF THE CONFERENCE

Rome, 29 november – 9 décembre 2003
PROCÈS-VERBAUX DES SÉANCES DE LA COMMISSION II
DE LA CONFÉRENCE

Roma, 29 de noviembre – 9 de diciembre de 2003
ACTAS TAQUIGRÁFICAS DE LAS SESIONES DE LA COMISIÓN II
DE LA CONFERENCIA

Table of Contents

**FIRST PLENARY SESSION
PREMIÈRE SÉANCE PLÉNIÈRE
PRIMERA SESIÓN PLENARIA
(1 December 2003)**

PART II - PROGRAMME AND BUDGETARY MATTERS DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS	3
14. Programme of Work and Budget 2004-2005 (Draft Resolution) (C 2003/3; C 2003/LIM/6)	
14. Programme de travail et budget 2004-2005 (Projet de résolution) (C 2003/3; C 2003/LIM/6)	
14. Programa de Labores y Presupuesto para 2004-2005 (Proyecto de resolución) (C 2003/3; C 2003-Corr.1; C 2003/LIM/6)	3

**SECOND PLENARY SESSION
DEUXIÈME SÉANCE PLÉNIÈRE
SEGUNDA SESIÓN PLENARIA
(1 December 2003)**

PART II - PROGRAMME AND BUDGETARY MATTERS (continued) DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET (suite) PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS (continuación)	16
14. Programme of Work and Budget 2004-2005 (Draft Resolution) (C 2003/3; C 2003/LIM/6) (continued)	
14. Programme de travail et budget 2004-2005 (Projet de résolution) (C 2003/3; C 2003/LIM/6) (suite)	
14. Programa de Labores y Presupuesto para 2004-2005 (Proyecto de resolución) (C 2003/3; C 2003-Corr.1; C 2003/LIM/6) (continuación)	16

**THIRD PLENARY SESSION
TROISIÈME SÉANCE PLÉNIÈRE
TERCERA SESIÓN PLENARIA
(2 December 2003)**

PART II - PROGRAMME AND BUDGETARY MATTERS (continued) DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET (suite) PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS (continuación)	38
12. Programme Implementation Report 2000-2001 (C 2003/8) 12. Rapport sur l'exécution du Programme 2000-2001 (C 2003/8) 12. Informe sobre la Ejecución del Programa en 2000-2001 (C 2003/8)	38
13. Programme Evaluation Report 2003 (C 2003/4) 13. Rapport d'évaluation du Programme 2003 (C 2003/4) 13. Informe sobre la Evaluación del Programa 2003 (C 2003/4)	46

**FOURTH PLENARY SESSION
QUATRIÈME SÉANCE PLÉNIÈRE
CUARTA SESIÓN PLENARIA
(4 December 2003)**

ADOPTION OF REPORT ADOPTION DU RAPPORT APROBACIÓN DEL INFORME	58
DRAFT REPORT OF COMMISSION II (C 2003/II/REP/1 - Paragraphs 9-13) PROJET DE RAPPORT DE LA COMMISSION II (C 2003/II/REP/1 - Paragraphes 9-13) PROYECTO DE INFORME DE LA COMISIÓN II (C 2003/II/REP/1 - Párrafos 9-13)	58
DRAFT REPORT OF COMMISSION II (C 2003/II/REP/2) PROJET DE RAPPORT DE LA COMMISSION II (C 2003/II/REP/2) PROYECTO DE INFORME DE LA COMISIÓN II (C 2003/II/REP/2)	59

CONFERENCE CONFÉRENCE CONFERENCIA

<p>Thirty-second Session Trente-deuxième session 32º período de sesiones</p>
<p>Rome, 29 November – 9 December 2003 Rome, 29 novembre – 9 décembre 2003 Roma, 29 de noviembre – 9 de diciembre de 2003</p>
<p>FIRST MEETING OF COMMISSION II PREMIÈRE SÉANCE DE LA COMMISSION II PRIMERA SESIÓN DE LA COMISIÓN II</p>
<p>1 December 2003</p>

The First Meeting was opened at 11.30 hours

Mr Mohammad Saeid Noori-Naeini
Chairperson of Commission II, presiding

La première séance est ouverte à 11 h 30
sous la présidence de M. Mohammad Saeid Noori-Naeini,
Président de la Commission II

Se abre la primera sesión a las 11.30 horas
bajo la presidencia del Sr. Mohammad Saeid Noori-Naeini,
Presidente de la Comisión II

CHAIRPERSON

Ladies and Gentlemen, I am sorry that we have had to wait two hours before we reaching a quorum. I have the honour of chairing Commission II and I welcome all of you.

The Commission is called to order.

We have a difficult task ahead of us, but I am confident that with goodwill and collaborative spirit we will complete our work in a satisfactory and timely manner. We will see what these satisfactory means are later, but as far as time is concerned we have to reach a consensus by Thursday, prior to the Plenary on Friday. As announced by the Chair of the Conference on Saturday afternoon, and contained in the first report of the General Committee, 2003/L/9, our amended timetable foresees the discussion of item 14 - the Programme of Work and Budget 2004/2005 - first, followed by items 12 and 13 - the Programme and Implementation Report 2000/2001 and the Evaluation Report 2003. The most important task that we face is to report to the Plenary on Friday on a budget level that has been endorsed by consensus at this Commission. As was evident from last week's Council Meeting, the news on the budget level is widely diverging and, therefore, in order to maximise the time available for discussions, I would seek your cooperation in concluding interventions on this item in two sessions today. I hope this can be achieved. If not, we will have to consider an evening session. As it is unlikely that we will find a consensus emerging from the discussion in the Commission today (I hope that I am wrong and that we will), I would like to set up a Friends of the Chair group to meet tomorrow afternoon, from 14.30, in the Malaysia Room, room B227. On the matter of the budget level, I would ask the Regional Groups to nominate up to three members to attend this meeting and to provide me, or the Secretary, with the names of the countries by 17.00 this afternoon, so that I can announce the full membership of the group at the close of this afternoon's session.

I would like to turn now to the first substantive matter on the agenda, the Programme of Work and Budget 2004-2005, document C. 2003/3, which is in your possession. Many members took the floor on this matter in the Council and it would be helpful if repetition could be avoided as much as possible. I would also encourage delegations to use the facility established in the first report of the General Committee, Document C/2003/L/9; inserting a statement directly into the Verbatim Record of this meeting without having to make the statement orally, or the whole statement orally by passing written statements up to the podium, so that I can inform the Commission of their receipt.

Before inviting delegations to take the floor, I would turn to Mr Wade, Director of the Office of Programme, Budget and Evaluation, to introduce the item. In particular, I have asked Mr Wade to summarise the scenarios before us, so that we are clear about our options. In this connection, I have asked the secretariat to make available for the Commission, at the documents desk, the document submitted to the 125th session of the Council, *Outline of a Possible Zero Nominal Growth Scenario*, Programme of Work and Budget 2004-2005, CL/125/10. Before giving the floor to Mr Wade, I would ask the Secretary of the Commission to give you a quick overview of what we are going to do during the three or four days which we have at our disposal.

SECRETARY

The way we would like to proceed with the Commission is, as the Chairman has already stated, to discuss the Programme of Work and Budget 2004-2005, in its entirety today. Tomorrow morning we will resume the work of the Commission, taking up items on the Programme Implementation Report and the Programme Evaluation Report and, in the afternoon, convening the Friends of the Chair Group. Once the formal work of the Commission has been done, that is to say, the three items on its Agenda have been discussed, we would propose to suspend the formal meetings of the Commission to maximise the time available for the discussions that need to take place, particularly vis-à-vis the Friends of the Chair Group and the Budget Level. We would, obviously, seek to reconvene the Commission formally on Thursday to adopt the Commission's Report, also on the budget level, if at all possible. In this connection, I would like to announce to the

Commission that a meeting of the Drafting Committee is foreseen tomorrow evening at 1800 hrs in the Mexico Room, room D211, to continue the business discussed in the Commission today. On Wednesday evening, at the same time and in the same room, we will continue the business discussed in tomorrow's Commission. I would also like to announce the membership of the Drafting Committee. The list of members I have is as follows: Afghanistan, Argentina, Australia, India, Italy, Japan, Indonesia, Kuwait, Mali, Sweden, Namibia, the United States of America and Venezuela. I will advise you, in due course, as soon as I am formally advised of the Chairperson of the Drafting Committee. I believe that covers everything, Mr Chairman. Thank you.

PART II - PROGRAMME AND BUDGETARY MATTERS
DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET
PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS

14. Programme of Work and Budget 2004-2005 (Draft Resolution)

(C 2003/3; C 2003/LIM/6)

14. Programme de travail et budget 2004-2005 (Projet de résolution)

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(C 2003/3; C 2003-Corr.1; C 2003/LIM/6)

Tony WADE (Director, Programme, Budget and Evaluation)

Mr Chairman, you asked that I provide some clarification of the various budget scenarios before us so that the membership is clear as to the options that are available to it. I have, therefore, prepared a table which has been distributed and should be on your desks in the appropriate language. It is a single page entitled PWB 2004-2005 Scenarios. If anybody has not got the table, could they draw it to the attention of the messengers; they will receive a copy, but it should be there.

The table summarises four scenarios and I would like to start with the third column of figures headed ZRG or Constant Purchasing Power. This describes the level of resources which would be needed to maintain the programme at current levels of activity. It is of critical importance to understand this scenario as it provides the base from which all other scenarios had to be developed. For those members who attended the Council, please note that these figures have since been revised to reflect the latest exchange rate and other factors. The first line, Mr Chairman, shows the figure of US\$ 651.8 million which is the approved budget for the current biennium 2002-2003. We need to make two adjustments to this figure in order to maintain its purchasing power. The first concerns the exchange rate effect. The budget for 2002-2003 was calculated at a budget rate of exchange of one euro equals 88 cents US. This means, for example, for each 1,000 euro of General Service staff costs in Rome, there is US\$ 880 included in the budget figure of US\$ 651.8 million. However, the euro has now strengthened such that the table now assumes that we would have to pay US\$ 1.19 for each euro. That means that for the same 1 000 euros of General Service staff we will have to pay out US\$ 1 190. Instead of US\$ 880 we will have to pay out US\$ 1 190 for exactly the same service and cost in euro. This is an increase in US\$ terms of US\$ 310, or 35.2 percent which, if it is not funded from an increase in assessed contributions, would need to be offset by the equivalent level of savings. Now, of course, not all our expenditure is euro-based and hence the net adjustment of US\$ 115.5 million that you see on the second line represents an increase of 17.7 percent. At this rate of exchange 55 percent of our expenditure is euro. Mr Chairman, the second adjustment concerns cost increases, or inflation if you prefer the term. This amounts to US\$ 33 million and consists of the effect of increases in the cost of salaries, goods and services on the Organisation. The Finance Committee has endorsed the calculation of cost increases as well as the assumptions on which they were based. However, as a way of checking the reasonableness of this figure, members may wish to note, first of all, that it includes an exceptional amount of US\$ 4 million, being the increased cost of field security. If we exclude that amount for the moment the balance is US\$ 29 million which represents 2.6 percent per annum of the Programme of Work. Now given that the forecasts from the Economist's

Intelligence Unit are for 2.7 percent and 3.3 percent of inflation on average earnings in Italy for 2004 and 2005 respectively you can see that the figure cannot be too far away from reality. So this is a sort of second check on the cost increase figure. Despite the fact that the Finance Committee has looked at this in detail you may want to confirm for yourself that this is a very reasonable figure.

Mr Chairman, if we add these figures together, that is the 651.8, the 115.5 and 33 we arrive at a figure of US\$ 800.3 million being the appropriation that is necessary simply to maintain programmes at the same level as they are today. Of course this is the main problem facing the Organisation for you the membership and us the Secretariat. On the one hand we recognise how difficult it is to sell a net increase of close to 23 percent in US\$ terms and yet on the other hand, the membership does not appear to have a list of programmes on which it agrees they could live without. On the contrary, we have heard in the Council that all this should be accomplished without detracting from the programmes of interest to the developing countries and without detracting from IPPC, Codex Alimentarius, Plant Genetic Resources, Fisheries, Forestry and Sustainable Development. So this is the issue or the problem which we face today.

Mr Chairman, I will now go through the other scenarios. I will start with real growth and, even in this difficult budgetary environment, I make no apologies for turning to the last column which is real growth. The first thing you will note is that we start with the ZRG scenario of US\$ 800.3 million for this and incidentally all the remaining options. We do this so as to correctly identify the value of programme change, that is the increase or decrease in programme activity which is necessary to satisfy the assumptions of the scenario in question. In the case of the RG scenario, in the fourth column of figures, the programme increase is US\$ 36 million, that is on the line titled Programme Change and is fully supported in the Programme of Work and Budget, Document C 2003/3. Now there is a tendency amongst some members to summarily dismiss this option but really they should not do so. In fact this scenario responds to the highest priorities as expressed by the membership and aims at maintaining a balance between normative and operational activities. The vast majority of the work that would be funded from this additional amount benefits the entire membership; benefits which, although hard to measure in purely financial terms, are real enough in their contribution to international trade, to food safety, to the improvement of food security.

Moving now to the concept of zero nominal growth. Essentially, the concept of zero nominal growth is the retention of the budget in the same nominal terms. While the definition seems simple, its application has always presented a problem. Why is this? When providing the membership with a scenario, one needs to know what it implies in terms of a programme cut. Unfortunately, when one applies this definition in terms of US dollars one either has to guess the rate of exchange to the euro many months in advance of the decision to set such a rate or one calculates the budget at the budget rate of exchange for the previous biennium. Now the problem substantially eliminates if one ensures that the budget is stated in the same nominal terms in its two key currencies, that is US dollars and euros. In such a case, the exchange difference is eliminated. To make sure everyone is following me on this, if you could turn to paragraphs 250 and 251 in the Programme of Work and Budget. Page 52 in the English version but that will vary by language. Let us look at the table in paragraph 250 first of all. This table is presented, assuming, as you can see from the title of the table, that one euro equals 88 cents - the budget rate for 2002/2003. If we look at the last column which is the ZRG scenario, as an example, we will see that the total line at the bottom entitled Assessed Contributions, shows a figure is US\$ 689 710 000. That is translated on the two lines below as one figure for euro and one for dollars. The dollar figure is 361 903 000 and euro figure is 372 508. Now turn to paragraph 251. The only difference in this table, as you will see from the title, is that it has been prepared as 1 euro equals US\$ 1.15. Again let us look at the last column, comparing it to the table we looked at in paragraph 250. We will see that the first two lines are the same in both paragraphs and total 651 758. Both tables have a figure of 47.1 million under cost increases and consist of 33 million in cost increases for 2004/2005 plus an additional 14.1 million for after-service medical costs. Both tables have the same figure. The next line is where the two tables diverge. This is where we have an addition in

the Table in paragraph 251 of US\$ 100.6 million being the exchange rate impact of a rate of exchange of 1 euro equals 1.15 dollars. So this is the amount it is necessary to add to the dollar budget simply because the euro is much stronger that it was in the ZRG budget on the previous page in paragraph 250. We add that into the column and we find that down the bottom we have Assessed Contributions totalling US\$ 790 287 000. That is 100.6 million more. But what I want to draw your attention to is that on the next two lines you have the split between dollars and euro. Please note that those figures do not change. They are still the same as in paragraph 250. We still need US\$ 361 903 000 and 372 508 000 euro. In nominal terms in the two currencies, we need exactly the same amount. So that is the point I want to make about ZRG.

In effect the US dollar figure is a nominal figure. If we stated the whole budget figure in euro we would see a completely different picture. Just for example, let me take you through a couple of figures. The assessed contribution for this biennium is US\$ 645.3. Do not worry about looking these figures up. At 88 cents to the euro that was worth 733 million euro, so last biennium's budget in euro terms was 733 million. If we do the same for the 2004-05 budget at ZRG, that is 805.2 that you have on the bottom line of the table, and translate it at 1.19, the euro figure is only 676 million. Instead of 733 million euro, in euro terms, the budget drops by 56 million to 676 million. So you are seeing an exchange rate effect through this whole process which is distorted by the fact that we state our budget in dollar terms. Now we have to have a currency to work in but we also have to understand that it does not show necessarily the true facts simply by looking at the surface of the figures, and this affects how much you pay in the end, because your relationship to those currencies affects the total.

If we did this in Australian dollars we would get another picture; if we did it in Argentinean pesos we would get yet another picture. My point here is that we might be clearer in our communications if we moved away from the terms ZNG and instead referred to two or more reduction scenarios and that is what I will do from now on.

I would like, in fact to turn to reduction scenario number two, which is the first column of figures on the table which you have been given this morning. This starts on the third line with the 800.3 million, the same as all the other scenarios. Its aim is to arrive at the same appropriation in US dollars as we had for 2002-03, so if you drop immediately down to the line for appropriation 2004-05, this is about the third line from the bottom, you will see the US\$ 651.8 million. Some members have suggested this should be the budget for 2004-05.

What does it mean? I am moving down the table. Below the line entitled zero real growth, in the first column of figures I have the figure US\$ 800.3. The first line below that is a figure of US\$ 152 million dollars representing the programme change needed to reach the target. This is a real reduction in programmes. The remaining three lines are adjustments. I will explain them to you briefly but they are not of any direct effect on you; the US\$ 152 million is what you care about but for your information, to arrive at the 152, we had to calculate what effect a big reduction in the budget would have on the figure of 115.5 in the box above. You remember we added 115.5 for the exchange rate effect. Of course it will not be as much if we cut the budget by 150 million. So this 21.4 is a reduction to that 115.5.

The same is true of the next line. The minus 4.1 million is a reduction of the figure of 33.0 million of cost increases, so these are just adjusting the budget for the effect of a much lower-base budget.

Finally, the important figure there, the 29.3 million which is a statistical estimate of the cost of redeployment and separations. For your information this is based on the number of encumbered posts which we believe will have to be abolished if we implemented this scenario, and assumes the average cost of a redeployment and separation what we experienced in the two previous exercises that we have undergone in this regard.

By reducing the budget by 152.2 million, or rather reducing the programme of work by 152.2 million, would allow us to reach a target appropriation of 651.8.

What are the implications of this scenario? Frankly, it would be catastrophic.

As indicated to the Council, the implications are as follows: the 152.2 million represents a cut of 19 percent, more than the 15 percent cut than we have taken in the last ten years. In one biennium we are expected to have a larger reduction in the budget than we have taken in the last ten years. At this new exchange rate assumption of 1.19, the number of posts to be abolished would probably be about 740 posts, up from the figure of 650 that we reported to the Council on the earlier exchange assumption of 1.15; that is about one-fifth of the staff in this organization.

The reduction is so large that crisis management techniques would have to be implemented in order to avoid exceeding the appropriation. In practice, expenditure on everything except essential activities would have to be frozen, as would recruitment action on all vacant posts and that, in itself, would not be sufficient to prevent us from exceeding the appropriation at the end of the biennium. An exercise would have to be undertaken to stop the extension of a large number of fixed-term contracts, thus eliminating, I am sad to say, the new and generally younger recruits to the Organization.

Is this seriously what the advocates of this scenario intend? If so, I put the question on how they expect the membership to reconcile this scenario with the accompanying statements of keen support for FAO and to solidarity with the developing world? For me it is very difficult to carry out that reconciliation. If such a scenario were to be implemented, it would virtually mean writing off 2004-05 as the Organization retrenches and downsizes in crisis mode. It would hit hardest at the newest recruits, thus striking a devastating blow at the future workforce and the managers of the Organization. It would take years more than the two years to recover from that and why - largely because of a fiscal policy which responds without reason in my view to a blip in exchange rate relationships between the euro and the dollar - a blip which is likely to disappear over the forthcoming months, so we are hit by a peak in the strength of the euro at this moment in time and we are about to make a devastating decision based on that particular fact.

I regret the length of this introduction but it has been put to me that the Membership is simply not clear about the consequences of the various levels of the budget being proposed by other Members and, if we are going to make proper decisions, we must be very clear about that.

I turn now to the reduction scenario one; it is the last scenario presented; it is in the second column of figures before you. Further details of the impact of this scenario are provided, as I said, in Council document CL 125/10. I understand it is also a LIM document which is coming to you as well. It is available at the documents desk, but I should point out that the published version is calculated at the exchange rate of €1=equals US\$ 1.15 whereas I am now dealing with something closer to the current reality which is 1.19. In fact it is 1.20 today.

As you can see in this column the programme change or cut to programmes would total US\$ 35.2 million so instead 152.2. That is, we are down to 35.2, consisting mainly of the requirement to absorb cost increases of 33 million. The adjustment to the exchange rate effect and the cost increase figure below that reflect the overall programme reduction whereas the figure of 7.9 million is the additional estimated cost of redeployment and separations which would necessarily apply to the scenario.

I should say at this point that there is a danger that Members will greet this scenario with a sigh of relief after having considered scenario two, but they should not. They should question it with equal scepticism. At a time of growing demands on the Organization, it makes no sense at all to cut 160 posts and to diminish its capacity to respond. Even this lower level reduction is expected to impinge upon virtually all programmes.

The Membership needs to ask itself why is FAO facing the demands for such cuts when our sister Organizations do not.

A few facts, all of which are verifiable: FAO has been the most harshly treated of all the United Nations system bodies with annual budget in excess of US\$ 100 million. Using the same index, starting at 1993=100, you will see that FAO has fallen to 96, so we start at 1993 at 100 and now we are 96. The United Nations itself is at 112. I am talking 2002-03. ILO has moved since 1993 to 2002-03 to 107; Unesco is at 122; WHO is at 116, so why is FAO getting this treatment?

In the current round, for the budget for 2004-05, there appears to be a serious inconsistency in the approach being taken, for example: ILO's budget for 2004-05 has been approved at ZRG which involves an additional US\$ 95 million increase in US dollar terms, approved by the same Members here who are suggesting that we should not have anything other than ZNG in dollar terms. Their budget is assessed in Swiss francs; and, in fact, there was a reduction in Swiss francs and an increase in the dollar value of those Swiss francs.

WHO's budget has been increased by a nominal amount of US\$ 25 million. They did not do as well - it is somewhere between ZRG and ZNG. IAEA's budget for 2004 has risen by 20.7 million or 7.8 percent implying real growth and Unesco's budget for 2004-05 rose from US\$ 544 million to US\$ 610 million, thanks largely to the re-entry of the United States into Unesco; that is a 12.1 percent increase.

The data puts in question the proposition that the Membership considers Agriculture, Fisheries and Forestry to be a high priority.

The suggestion has been made that either of these scenarios could be managed by increased efficiency savings. In both cases this is simply not true. In the case of reduction scenario two, which is minus US\$ 152 million, it is actually an absurd statement to make; in the case of the reduction scenario one, minus US\$ 35 million, it is impossible to do in a single biennium and is unlikely in two biennia. It probably would need three biennia.

Let me emphasize that we are not starting here with a fat and inefficient Organization; we have undergone continuing reform for the last ten years. I would urge Members to review paragraphs 177 to 190 of the document which describes what has been achieved since 1994, savings which are estimated to have reduced costs by about US\$ 60 million per annum, primarily by reducing the cost of inputs but also by improved processes and greater cost recovery.

I would remind members of some of the statistics behind these efforts: a reduction of 659 posts overall or 15.7 percent since the 1994 budget; a 37.6 percent reduction of General Service staff here in Headquarters in Rome, generally as a result of increased use of information technology and office automation; a 32 percent reduction in D-2 level posts, director level posts, the senior level posts in the Organization, and a further 11 percent decrease in D-1 posts, also director level posts; accompanied by 115 percent increase in P-2 level posts aimed at bringing in new blood and revitalizing the professional capacity of this Organization.

We know that, as a Secretariat, we must continue to pursue relentlessly the search for further efficiency savings and greater enhancement of effectiveness. We know that there are further opportunities for such savings. For example a major review is underway, which is expected to greatly increase our efficiency in supporting the field programme, but the major incentive for the staff involved in this is their plan to reallocate the saved resources to enhance field programme development and to strengthen our operational capacity at the country level. I suspect it will take another year at least to generate these savings as they rely on time consuming changes to computer systems to enhanced infrastructure, and on changes to procedures, none of which will be possible if we face the cut of the order of magnitude envisaged in either of the reduction scenarios.

I am wearing a black tie today; I do not actually like black ties but it was given to me as a gift, and I am wearing it because it seems appropriate when this Organization is facing quite such a serious situation. It horrifies me that we are even discussing a reduction of US\$ 152 million and I would close by saying, on behalf of my colleagues throughout the Organization that there is a sense of bewilderment. What is it that the Membership wants from the Secretariat before it will respond by raising the additional resources needed to do the job which has been set for us, needed to meet the demand that you yourself have placed on this Organization?

We have improved our strategic focus by working with you to create a Strategic Framework endorsed by all Members; we have introduced a sophisticated system of results-based budgeting and planning to ensure the sound use of resources in the achievement of clearly pre-defined outcomes, outcomes to which you have agreed; we have strengthened oversight in the broadest

sense, including the independence of evaluation; we have certainly made great steps forward in improving efficiency; we are effectively managing important global programmes essential to the international community; the demand for our services to developing countries well outstrips our capacity, as you have heard time and time again.

All these things are widely acknowledged, but what does it need to convince you, as a Membership, that the resource allocations for FAO should be governed by programme needs and not solely by fiscal policies of Ministries of Finance which have no conception of what this Organization can and does achieve with the meagre amount of resources currently available to it.

I thank you for your patience.

CHAIRPERSON

Thank you, Mr Wade, for your explanation. Since the Chairman should remain neutral, I am not wearing a tie, so that the colour of my tie will not convey an opinion.

I think, before starting any discussion of the substance of these analogies that were presented by Mr Wade, it would be opportune to make sure that we have a full understanding of these scenarios. Please do not feel reluctant to ask if you do have any questions. If there is any misunderstanding, it will make it difficult to continue. So let us start with questions with regard to understanding the scenarios that have been presented to us here.

Any questions on that?

Víctor Hugo MORALES MELÉNDEZ (México)

Quisiera agradecer a la Secretaría de los extraordinarios esfuerzos que está haciendo para aclararnos, no sólo con las hipótesis para el PLP (Programa de Labores y Presupuesto) sino, también por el trabajo que hizo la semana pasada en relación al sistema de pago de las cuotas en dos monedas. Creo que hemos avanzado bastante, y también creo, que hay ya bastante claridad, no sólo en los impactos que tendría la FAO, sino también los impactos que tendría para los Estados Miembros. Sin embargo, quisiera solicitarle a la Secretaría, si es posible que en estos días se pudiera elaborar una relación con el cálculo de las cuotas netas anuales, que correspondería cubrir a los Estados Miembros en el próximo bienio bajo cada uno de los cuatro escenarios que nos acaban de explicar, esto permitiría conocer las implicaciones y compromisos específicos que correspondería asumir a cada uno y facilitaría eventualmente la toma de posiciones al transparentar y precisar el monto de las contribuciones de cada Estado Miembro, también se que la semana pasada, cuando se reunió el Grupo de Trabajo sobre el pago en dos monedas, se distribuyó una relación clara y específica, del impacto los Estados Miembros tendrían con el sistema de pago en dos monedas, hasta donde entiendo, esto no se hizo abierto a todos los Miembros del Consejo, sería conveniente que a todos los Miembros de la Organización tuvieran este cuaderno, donde se ve claramente cuál sería el impacto, también platicando con mi colega de Brasil, él pidió como Miembro del Grupo de Trabajo de dos monedas que se le hiciera un ejercicio específico de su país sobre las implicaciones que iba a tener, y afortunadamente fue atendido por la Secretaría, creo que incluso tenía un espíritu muy positivo después de conocer esta información. Sería conveniente que quienes requieran este ejercicio, y quienes como yo en el Consejo se pronunciaron y tuvieron dudas sobre el sistema de cuotas en dos monedas, también pudiéramos recibir este estudio como el solicitado por Brasil, que nos permitiría de tener una posición más clara, y más precisa y así eventualmente poder apoyar las propuestas que hace la Secretaría.

María Eulalia JIMÉNEZ DE MOCHI ONORI (El Salvador)

También mi delegación quiere agradecer la larga y detallada exposición que se nos acaba de hacer sobre este importante tema. Quisiera solicitar a la Secretaría una aclaración sobre este tema porque realmente no lo he entendido bien. En los párrafos 250 y 251 del Programa de Labores y Presupuesto para 2004-2005 (PLP), el Director de la Oficina de Programas y Programación de la Organización, nos indicó un cuadro de un primer presupuesto con la hipótesis de un euro a 0,880, y un segundo en el cual se plantea un cambio del dólar a 1,15 por euro, él lo explicó

detalladamente, pero no logro entender, cómo es posible que las cuotas en las dos monedas sean iguales, y también el mecanismo por el cual la última parte de los dos cuadros nos resulta, que tanto las cuotas en dólares como las cuotas en euros son iguales, siendo estas cuotas asignadas diferentes. Espero de haber explicado bien mi duda. Quisiera una aclaración sobre este tema.

TANG SHENG YAO (China) (Original language Chinese)

Thank you, Mr Wade for the very conclusive explanation for the PWB Table. Now there are some PWB scenarios, I think there are two background indicators for this. I think one is the Exchange Rate change and the second one is the Cost Increase, so based on the present background information, we can find out that the PWB have made many changes or fluctuations that now the exchange rate is considered at 1.19, that is about US\$ 151 million. If it is based on US\$ 1.2 in exchange rate, all these contributions will increase, which means it is above US\$ 150 million. So, against this foreground, if we adopt the ZNG scenario, it's about US\$ 650 million, we think there will be a reduction of staff or operations from FAO in order to maintain the reduction of US\$ 650 million in contributions, or otherwise FAO can increase efficiency in order to maintain its operation and to minimise the cost. Now, I have two issues to raise: the first is concerned with the change of the contribution. In 1994 and 1995 the value of the US dollar has been going up and reached the peak at the end of 2001. The US figure index has been above 1.2. Since 1993, the budget of FAO is based on NG or on all the tendencies of the US dollars. The US dollar has been going up and the European currency has been going down. Based on this analysis, from US dollar perspective, the contribution is about US\$ 650 million. From Euro to dollars the contribution has been going up to maintain the same programmes or the same number of programmes. We need to be clear about this. In the past few years, all these programmes have been going up because the Euro exchange rate has been going down, which means that we can save some finances to be spent on the Budget. However, we did not see any dramatic change in the PWB. Take Scenario 2, for instance. If the Euro exchange rate has been going up, there has been a reduction of US\$ 152 million. In the past few years, the Euro has been going up and the strength of the US dollar has been going down. I think we need to get some explanations from the Secretariat based on the exchange rate tendencies for the past few years. As far as we can understand, based on the constant dollars turns, the index has dropped from 100 to 96. If it has been calculated through Euro, the PWB might see an increase. I'm not so clear about what happens under this background, so we would like to have explanations from the Secretariat. So, the scenario's adoption will be decided by the Members. I hope we can decide on better options or scenarios in order to meet the demand of the developing countries for agriculture, fisheries or forestries, because these are all the priorities of this Organization which have been mentioned on many occasions and conferences. China is a developing country Member and we are also quite concerned with this contribution no matter what scenarios have been adopted. The contribution figure increase has been very big as far as agriculture is concerned. If the budget has been increased, it has been conducive for agriculture because this Organization can give great support and hope to the developing countries. We need to convince the other departments and the people to pay this contribution. The other Member Countries are confronted with the same problem, as I see. I'm not so sure whether you are clear about my issues. On the two issues, the first one based on the tendencies, I would like to know the impact of the tendency of exchange rates on the two scenarios. On the second issue, I would like to make it clear that we are quite concerned about the increase in contribution.

Bongiwe Nomandi NJOBE (South Africa)

Thank you Mr Chairman, particularly for the opportunity to clarify our understanding of the presentation, and I have one last little question for the Secretariat. Could you take your analogy of the comparisons on the index, the 1993 index, and what is happening with the other UN agencies. What then do each of these scenarios mean, if we were to apply each one of them to that index? I think that is the one of the most visible presentations, if you could just give as an indication of where we would be sitting on that index.

Tony WADE, (Director, Programme, Budget and Evaluation)

With regard to the request from Mexico that we prepare a report on Assessed Contributions from Member Nations for each scenario, yes, I think we can do that. The second request was for the Split-Assessment Table which was given to the Working Group. We can do that but I would want to revise it because that was done before the addition of the 4 new Members so it might be misleading to issue it as an official document, but we could produce something like that. The third item, which is what we did for Brazil. That's more difficult but we'll do it, if you don't mind, on request because what Brazil ask us was to compare single and split-assessment and then take two hypothetical cases in the future of changes in the exchange rate: one where the Brazilian Real gets stronger and one where it gets weaker. So what we do there is we find in the historical data base exchange rates those two moments in time. At that point in time we have to match the euro to Real exchange rates and the Dollar to Euro rate because you need to have rates which really existed in the market to do a comparison. So it is quite a task to do it and we have to do it twice; one when the real is stronger, once when its weaker. It takes a while to do it. I prefer not to try and offer it for 180 Member states if the 150 of them are perhaps satisfied. Interesting how that the results are fascinating. I have yet to find an example where it is not of benefit to you to take split assessment. In every case we've done so far, we find that the effect is to reduce the Net Assessed Contribution if you take split assessment simply because the Euro and Dollar offset each other in the movement so you don't have such an extreme movement. Of course, if I did it for the United States of America, it wouldn't have the same effect. So we take that one on request if you like. I assume that Mexico has requested it.

Mr Chairman, turning to El Salvador's question, how come, in the tables in paragraphs 250 and 251, the figures for dollars and euro remain the same, whereas the dollar figure in the Assessed Contribution goes up by a hundred million, I think that's the question, isn't it? Probably the simplest way to answer that is if I take in paragraph 250 the 372 million Euro and multiply them by the exchange rate of 0.880 I get US\$ 327 million, that is, US\$ 327 807. If I add that 327.8 to the 361.9 above it, I arrive at the figure for Assessed Contributions: US\$ 689.7 million. So, by applying 88 cents to the dollar, to the euro requirement, I get exactly 689.7. If I go to the other side to paragraph 251, and instead of using 88 cents, I use 1.15, its worth so many more dollars, in fact, its worth a hundred million more dollars. So, it buys more dollars if we have to buy dollars. In fact, if we receive it in euro, we don't go through any exchange transaction at all. We use the euro for the euro expenditure, we use the dollars for the dollar expenditure. I'm not sure whether if that will solve the problem, but we'll come back again if I haven't manage to explain it.

Turning to China's questions, which I am not absolutely certain I've got them, let me try. I think the first question concerned what happened up until now: the dollar has been strengthening through all these years, have we been benefiting from it all, how is it shown? For the last budget, we adopted ZRG. You may remember we were 650 before and we went to 651.8. That consisted, now I'm taking figures off the top of my head but they're very close to being right, a plus 50 million in cost increases - comparison to the 33 million we have this time, last time we had 50 million. But then, because the exchange rate on the dollar went in favour of the dollar, the dollar strengthened and therefore our euros cost less. We have an exchange rate adjustment which has shown very transparently in a separate column in cost-increase table of something like 48.2 million, leaving a net requirement of 1.8 million. Hence the movement from 650 to 651.8. So the Conference made a decision, it said: We will grant the requirement to cover cost increases, but we will fund it from the gains, basically from the gains from the exchange rates variance; and it has done that, in fact, in just about every biennium since 1993. Because its been gradual strengthening of the dollar over that period, now we've got a situation where its bouncing back in the other direction. Now, you can argue this one either way, you can say that we're taking advantage of it, or we're not taking advantage of it. This is your individual decision which you have to make at that time. We are pointing out the impact of not making any decision in favour of funding this assessed contributions on this occasion for that difference.

Your second question, I think, was asking if the euro has strengthened as it has, in fact, especially at the beginning of this biennium, why have we not seen damage to the programme in this biennium? Its costing us 152 million for the next one, so surely it we must have seen damage to the programme during this biennium. We avoided that damage by entering it to a forward contract, in fact in July 2001, to cover the total requirements from 2002 and 2003 which gave us all our euro at US\$ 0.88 cents. The contract is for 24 months that means that each month, we pay out a certain amount of dollars to buy our euro funds, and we still get them today at 0.88 cents. So there is no damage to the Programme in 2002 and 2003. But that contract ends on the 31st of December 2003. Well, in that moment in time, we will be back to buying dollars at the market rate which is 1.19 or 1.20 at the moment. So that's why you don't see the damage of the Programme in the current biennium but you would see it in the form of a 152.2 million in the next biennium. If I haven't answered your questions, I apologise and please come back. Finally, your remark that the contribution increase is very, very big. Of course, we appreciate that and know that's the problem we face, and that you face, because even if you support the idea that these resources should be made available, you still have to fight at home to convince your finance ministers to do so.

CHAIRPERSON

Thank you Mr Wade, I hope that the picture is clearer now on these questions. The floor is open for your general statements on the Programme of Work and Budget. As I said, we have to finalize the primary discussion on this item today, by this afternoon, which means that we have about 20 minutes this morning and about 3 hours this afternoon and I hope that we can do so. The floor is open.

YUNG SU CHANG (Korea, Democratic People's Republic of)

I am very pleased to congratulate you, Excellency Ambassador Noori, on your election as the Chairman of this important Commission II. I am sure that this meeting will be successful under your wise and skilful Chairmanship. I would like to express my thanks to the Secretariat of FAO for its hard work in the preparation of this excellent document and clear introduction to the Programme of Work and Budget 2004/2005 under discussion.

Mr Chairman, as you know, the World Food Summit set a goal to reduce by half the number of undernourished people in the world by 2015 and unanimously adopted the declaration and plan of action reflecting the political will and the means by which to achieve that target. However, judging from the background of recent world trends, the reality is far from the target to be achieved every year as set out by the World Food Summit and as shown in the document.

Between 1995-1997 and 1999-2001 the number of undernourished people in developing countries increased by 18 million in spite of the given global community's commitment to food security concerns, its capacity to produce more than enough food for human beings and its ability to make use of modern information and transport systems worldwide.

The whole security problem remains a persistent issue in development setbacks. This current situation requires that a number of countries make a common effort using their political will to strengthen FAO in terms of meeting the Programme of Work and Budget in order that FAO fully play its role as the leader and coordinating agent in the UN system for the implementation of the World Food Summit Plan of Action.

I would like to make the following comments:

First, with regard to the Programme of Work and Budget, my delegation believes that the yearly growth scenario in the document has been designed to ensure a balanced response to the main long term orientation in the strategic framework and is closely derived from the substantive content of the Medium Term Plan of FAO which is approved unanimously by all member countries as well as being geared to respond (to the maximum extent possible) to the recommendation of the technical commission of FAO, reflecting the urgent need of the community and the Member Nations for world food security. My delegation therefore welcomes

and strongly supports the 2004-2005 budget initiated by the Director General of FAO and calls for all member countries to adopt, unanimously, the political will for world food security

Second, regarding the Technical Cooperation Programme, my delegation would like to remind the Conference of Resolution 9/89 that invited the Director General to make every effort in order to restore the resources available to the TCP to its former level of 14 percent over the total regular programme and if possible to raise it by 17 percent. Past practices have shown that TCP fully demonstrated its advantage and effectiveness in helping agricultural development and production of developing nations by playing a catalytic role to meet pressing problems of the benefiting countries. Expressly on the reduction of TCP allocation in the budget, my delegation would like to strongly suggest that FAO raise the TCP allocation to the maximum possible level of the Conference Resolution 9/89 on nations. Therefore, the major change in the resource allocation since the stage of the summary of PBE was a shift from the program (underneath programme 2.5 contribution) to sustain development and special programme trusts to contributions to other major programmes under Chapter 2 of the Programme of Work and Budget. My delegation expresses regret that this shift has resulted in the reduction of important activities under this major programme 2.5 including reduced support for capacity building in developing countries, and therefore my delegation would like to call for the allocation of resources where they will have less of a negative impact on this and major programs.

Víctor Hugo MORALES MELÉNDEZ (México)

En primer lugar mi delegación desea felicitarlo por su nombramiento para encabezar esta Comisión II. Su talento y desde luego su compromiso con la Organización son garantía de éxito. Estamos en esta Sesión con un espíritu positivo para las negociaciones. Las restricciones presupuestarias y las economías que se imponen en el Gobierno Federal de México, no permiten comprometer mayores recursos por concepto de cuotas en todos los organismos internacionales. A pesar de esas limitaciones, la cuota a la FAO se ha pagado en su totalidad y México estará comprometido al pago puntual de ésta. Por otro lado esperamos la información que proporcionará la Secretaría sobre el sistema de pago en dos monedas, para analizar el impacto en las cuotas de cada uno de los países y así tomar una decisión plenamente informada. Sería conveniente y deseable que los países paguen sus cuotas, sobre todo, sus atrasos como una vía para mejorar la situación presupuestal de la FAO y para fortalecer sus finanzas. Permítame insistir en el uso eficiente del presupuesto y en la prioridad en la asignación de recursos, ya que cualquier distorsión en la asignación de los mismos, puede causar desequilibrios que afecten a la ejecución de los programas, en los cuales la FAO tiene ventajas comparativas y competitivas que constituyen la columna vertebral de sus actividades. Hemos hecho una declaración en el Consejo sobre las prioridades que mi país concede en el Programa de Labores. La Secretaría de la FAO debe buscar con la orientación de sus Estados Miembros, la asignación equilibrada del presupuesto procurando aplicar los recursos de acuerdo a las prioridades en los programas de agricultura, pesca y montes. Así como una asignación regional equitativa de los recursos para las actividades de cooperación y de asistencia técnica. Finalmente mi delegación desea expresar su reconocimiento a la Secretaría de la FAO por las acciones de ajuste y reestructuraciones realizadas que han permitido economías y mejoras en la eficiencia de la gestión.

CHAIRPERSON

Distinguished representative of Mexico, I would like to remind participants that we do have a Working Group on Split Assessment chaired by independent chairs of the Council. This was deliberately done to separate these two issues of the budget and the split assessment and we would expect that all speakers kindly keep these separate. All questions about split assessment should be submitted to the Working Group by your representatives. Here the expectation is that you talk about the different scenarios and level of the budget.

Abdul Razek AYAZI (Afghanistan)

Despite the complexity of the subject matter I shall try to be brief. But before doing so I wish congratulate you on your election as Chairman of this important commission. Afghanistan is proud to see its neighbour chairing the commission. Mr Chairman we have no differences whatsoever for the Programme of Work and Budget presented by the Director General. It is clear, transparent and well integrated. Moreover the priorities that he is proposing were discussed in the regional conferences COAC, COAFI, COFO and CFS. We endorse the objectives designed in the operational modality of the programme presented, we also appreciate the adequate treatment of the cross-cutting issues. Our comments, Mr Chairman, relate to some selected issues.

First we wish to express our position regarding the level of the budget. At the 125th session of the Council that has just passed, the distinguished Ambassador of Guatemala explained in his eloquent manner, the three budget terms and used a word called 'euphemism'. We share his wise observations. The scenarios before us are crystal clear. These are: a reduced budget, a stagnant budget, and a modestly rising budget. The reduced budget, the so called Zero Nominal Growth budget, as forcefully and convincingly explained by Mr Wade during the last Council session and now at this Commission as well as the articulation presented in Council paper 125-10 would have catastrophic effects on the work of the organization. We appeal to the advocates of the reduced budget scenario to kindly reconsider their position and save the Organization from the devastating effects of a reduced budget.

The stagnant budget, the so called Zero Real Growth scenario, will deprive FAO from meeting the challenges facing world agriculture and from fulfilling the demands made by membership following resolutions passed in the various international forums including the World Food Summit: five years later. Only a rising budget makes it possible to face up to the challenges facing world agriculture, and to accelerate the fight against world hunger and rural poverty. As part of the developing world, Afghanistan strongly supports this scenario.

We also support the increase in resources for standard setting programmes like IPPC, Codex Alimentarius and Plant Genetic Resources, provided that this increase is not at the expense of reduced resources for capacity building connected with these programmes. Without support for capacity building developing countries would not be able to put into practice standards which are of a sophisticated nature. We do not subscribe to the cuts envisaged in major programmes 2.5 and particularly in programme 251, 252, 253. How can resources for rural development be reduced when the eradication of rural poverty is the prime objective of the Organization? The idea that one can take away from Peter to pay Paul does not stand up to the test, though some may associate such tactical move with more assertive prioritization, and/or seeking comparative advantages. We think this attitude is not very helpful, because the work done by Peter and Paul are of equal importance and also both Peter and Paul are in need of a blood transfusion.

Secondly, we wish to reflect on the damages caused by the stagnant budget: The adoption of the Zero Real Growth scenario is tantamount to causing a paralysis of the Organization. It is like taking the wind out of one's sail. The shift from the rising budget to the stagnant budget reduces the Regular Programme resources for many essential areas of work. As presented in the PWB, the axe falls particularly on Major Programme 2.5 (Contribution to Sustainable Development and Special Programme Trusts). This major programme, which has already been by-passed by the recent budget, will receive a further cut of 4.4 percent. This is not acceptable to the developing countries.

A large number of the cuts under the stagnant budget will fall under category A of the Strategic Objectives. We wish to emphasize that the activities falling under category A of the Strategic Objectives are as close, or close to, the aspirations of the developing countries, and we will be very disappointed by the cuts in these activities.

In spite of the high priority attached to investment promotion, the reduction in resources for Programme 3.2.2 (Investment Support programme) under the stagnant budget will be very severe

indeed, amounting to a decline of almost 8 percent. The ECDC and TCDC activities, which are cherished and promoted by the developing countries, will also have to be curtailed due to a reduction of 11 percent in resource commitment. With respect to TCP, the commitment to projects will remain stagnant but there will be a marked increase in the budget of the TCP Unit. The reason for this increase is not spelled out in the PWB.

The Director-General has proposed 104 professional posts under the Real Growth scenario in order to compensate partially for the successive loss of professional staff in the previous biennia. This increase amounts to a 7 percent rise in the total number of established professional posts. The Zero Real Growth budget will cut down this incremental increase by one-third. Some members still maintain the view that FAO can reduce further its professional staff by improving efficiency. May I remind the critics to have a close look at the recommendation of the six independent evaluations presented in Programme Evaluation, 2003/4 that we are to discuss, I presume tomorrow. The shortage of staff is one of the main findings of these independent evaluations.

From the regional tables shown on pages 255 to 266 of the Programme of Work and Budget, it is possible to calculate the ratio of Trust Funds to Regular Programme resources for six Programmes, 2.1 to 2.5 and 3.1. The gearing ratio is 1.9 for Asia and the Pacific and only 1.25 for Africa and 1.35 for Latin America and the Caribbean. Obviously, more efforts are needed to promote Trust Fund activities in the latter two regions. The gearing ratio for the Near East, which amounts to 6.3 percent, is totally distorted due to the Iraq Programme.

Salisu INGAWA (Nigeria)

The Nigerian delegation congratulates you on the appointment. I would like to support my colleagues from North Korea and from Afghanistan in supporting the call for real-growth for the FAO budget of 2004-2005. It is an issue of integrity, actually, when you are calling for and supporting more activities that are based on the real needs of members – particularly in the case of members of the relevant countries – than if you go for a cut; definitely then the issue of integrity is at stake, because we have to stand by our words, if we are really supporting the rural people, eradication of poverty and improved food security, there is no way we can but support the real-growth scenario proposed by the Director-General. The Nigerian delegation strongly supports a real-growth budget.

CHAIRPERSON

I would like to remind the chairpersons of the regional groups, all the regional groups, that they have to give us a maximum of three names for the friends of the Chair by the closure of this afternoon's meeting.

The meeting rose at 12.55 hours

La séance est levée à 12 h 55

Se levanta la sesión a las 12.55 horas

CONFERENCE CONFÉRENCE CONFERENCIA

Thirty-second Session Trente-deuxième session 32º período de sesiones
Rome, 29 November – 9 December 2003 Rome, 29 novembre – 9 décembre 2003 Roma, 29 de noviembre – 9 de diciembre de 2003
SECOND MEETING OF COMMISSION II DEUXIÈME SÉANCE DE LA COMMISSION II SEGUNDA SESIÓN DE LA COMISIÓN II
1 December 2003

The Second Meeting was opened at 15.15 hours
Mr Mohammad Saeid Noori-Naeini
Chairperson of Commission II, presiding

La deuxième séance est ouverte à 15 h 15
sous la présidence de M. Mohammad Saeid Noori-Naeini,
Président de la Commission II

Se abre la segunda sesión a las 15.15 horas
bajo la presidencia del Sr. Mohammad Saeid Noori-Naeini,
Presidente de la Comisión II

PART II - PROGRAMME AND BUDGETARY MATTERS (continued)
DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET
 (suite)
PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS (continuación)

14. Programme of Work and Budget 2004-2005 (Draft Resolution) (C 2003/3; C 2003/LIM/6)
 (continued)

14. Programme de travail et budget 2004-2005 (Projet de résolution) (C 2003/3;
 C 2003/LIM/6) (suite)

14. Programa de Labores y Presupuesto para 2004-2005 (Proyecto de resolución) (C 2003/3;
 C 2003-Corr.1; C 2003/LIM/6) (continuación)

CHAIRPERSON

Ladies and Gentlemen, good afternoon. We do now have the quorum to start, but unfortunately again we have had to wait for 45 minutes to reach this. We are continuing our discussions and debates on planning the PWB for 2004-2005 and we are talking about a different scenario which was presented this morning to all of us. The floor is now open for your interventions.

Robert SABIITI (Uganda)

Mr Chairman, Uganda joins the other delegations in congratulating you upon your election to the Chair of this important Commission. During the 124th Council Meeting held in June 2003, when the PWB was first introduced to us, my delegation then gave a statement regarding the three scenarios. Since then, wide consultations have been held at different levels trying to better understand the three scenarios and their implications for the operations of FAO and indeed the impact on the masses of the people living in the developing countries whose livelihoods are indeed at stake. My delegation reaffirms its commitment to FAO's continued existence and in that regard supports the views expressed this morning by the distinguished delegates of North Korea, Afghanistan and Nigeria.

Ngoni MASOKA (Zimbabwe)

I would like to congratulate you on being appointed to the Chair of this Commission and I am glad that you are doing it so well. My intervention will be brief, and I would like to add my voice to the views already expressed by the delegations of North Korea, Afghanistan, Nigeria and Uganda who spoke before me, to press and persuade this Commission for the Real Growth Scenario. The Director-General, as clearly indicated in the document, has appealed very passionately for a Real Growth scenario. In here, we are talking about the 842 million people out there who are hungry. I talk about this to say that, when we are talking hunger, we are talking peace. It is important for us as we deliberate on the level of the budget to take cognisance of the fact that we are really interested in peace.

We know for certain, but we do not have to continue hammering the issue, that our own leaders here, gathered for the WFS: *five years later*, on the UN Millennium Development Goals, and again on the World Summit for Sustainable Development which took place in South Africa, still place emphasis on the goals that we have set for ourselves. Having seen the document 2003/3, the introductory statement by the Director-General, it is very clear. The explanations given this morning by Mr Wade were also very clear. We often ask our Secretariat to explain things but to both of them we have been asking a very simple question: if we are a Member of the UN institution, and we are really comparing with other UN institutions, then what is happening to FAO? ILO, WHO, UNESCO and all the others are really registering and getting more resources.

It is definitely clear and I think we all appreciate the argument being put forward by others concerning the physical difficulties that people face but we should not just place this emphasis more on FAO than on other institutions. I believe we really need to recognize all of this and the analysis given in the documentation is very clear. Therefore, without repeating the points which

have already been made, my delegation adds its voice to the call for the Real Growth Scenario and appeals to our colleagues that they think again about the Zero Growth budget.

CHAIRPERSON

Before I go on to the next speaker, we have received a message from our sister Commission I: they are having difficulty in reaching a quorum and therefore in beginning their business. So, the people who are not in the speakers' list and have some time, might join Commission I across the hall for a few minutes in order for them to reach a quorum and then come back to our discussions. I appreciate your cooperation.

Ms Gillian MAGGS-KÖLLING (Namibia)

Mr Chairman, distinguished delegates, ladies and gentlemen. I have been listening to the Director-General and to Mr Wade since the start of the Council last week. During all the statements and presentations, these two loyal, dedicated and committed disciples have tirelessly explained the bare reality facing this Organization when it comes to the PWB 2004-2005. Again, and again, they have humbly, tolerantly and faithfully answered the Member States' calls for further clarification, be it on the budget level scenarios or on the split assessment contributions.

However, it is disheartening to hear once again some Member States saying that they still need additional information to be convinced that what we have heard thus far is indeed the truth and nothing but the truth. To quote Mr Wade's words "what more must be said to convince us that the need for a Real Growth budget is real if FAO is to effectively respond to the Memberships' increasing demands".

During the consultation in June 2003, this delegation humbly advised against the wholesale comparison of FAO's efficiency measures with those of other UN system bodies. Our view then was that it would be interesting to hear what would have been said of the sister organizations had their budget been subjected to having stagnated, if not declining, budget levels for a period spanning an entire decade. I am glad to hear Mr Wade confirming what this delegation suspected then, that these institutions have not been and are not being subjected to the same budget reductions to which FAO has subjected.

Mr Chairman, FAO has to respond to a daunting challenge: that of assisting the global communities to reduce the number of the hungry by half before the year 2015. This morning, we saw from Mr de Haen's presentation that we are already off track in our quest to attain this noble goal. Neither the ZNG nor the ZRG budget has the capacity to invigorate the FAO to steer us back on track in pursuit of our collective noble goal. As stated by my honourable Minister in his speech in the Plenary, this morning, Namibia strongly believes that only the Real Growth Budget scenario can help us back on track.

We fully understand the concerns of those advocating ZNG and ZRG budget levels. However, the tragedy facing us all requires soul searching on our part as members of FAO. It requires collective sacrifices for a collective cause. We, therefore, wish to humbly and passionately appeal to those still thinking of ZNG and ZRG budget levels to reconsider the catastrophic consequences of these scenarios and to therefore join us in supporting Real Growth Budget level for FAO for 2004-2005 biennium.

Patrick K. LUKHELE (Swaziland)

I wish to congratulate you, Mr Chairman, and the other members of your bureau for having been unanimously elected to guide the deliberations of this Committee. My delegation considers the topic under discussion, that is the 2004-2005 PWB, the most important item in this 32nd Session of the FAO Conference. I also wish to thank Mr Wade and his colleagues in the Secretariat for the good and informative documentation provided to us here and the excellent allocation given to this Commission. Mr Chairman, I wish to remind us all that FAO is about improving the lives of ordinary people through the improvement of agriculture and food situations.

I wish to recall the excellent speech delivered by the former Prime Minister of Malaysia, Dr. Mahatha bin Mohammad, on Saturday, where he reminded us about the human tragedy brought about by hunger and poverty. We have repeatedly had proponents of the no budget increase to FAO statutory that Parliaments have had difficulties in appropriating more resources to international organizations such as FAO. However, it would appear that FAO is being treated differently as it is being denied the necessary resources to carry out its mandate. This was clearly demonstrated by the indices that we were given earlier by the Secretariat. One therefore wonders as to whether many of us are not aware of the effects that are compelling other governments to deny FAO the reconciled budgetary support will have.

I believe we are all aware of the extensive restructuring that has been carried out by FAO which has included (amongst others) retrenchments, redeployment and large scale decentralization. This has been coupled with significant improvement in the level of efficiency which has been acknowledged by a significant membership of the FAO. My delegation therefore calls for understanding this crucial debate. As for my country's position on the budget level, Mr Chairman, Swaziland strongly supports the Real Growth scenario. Lastly, my delegation would strongly advise against the reduction of the critical activities under the Major Programme 2.5 in the document, C 2003/3 before us. We believe these programmes are critical to the reduction of hunger and poverty.

Dato'Annas KHATIB JAAFAR (Malaysia)

First of all let me join my fellow delegates that spoke before me to congratulate you for being elected as Chairman of this meeting and also to congratulate the Secretariat for presenting a very comprehensive and transparent format of PWB budget for 2004-2005. After reading and listening to all the explanations as well as the views expressed by fellow delegates, as well as the implication of the three scenarios, the Malaysian delegation is in favour of the Real Growth scenario as put forward by the Director-General. I do not wish to repeat the implications of the ZNG and ZRG. I would also like to re-emphasize that the reason why we disagree with the Zero Real Growth is because we want to avoid the implications of the ZNG and ZRG especially where the shift of resources from Major Programme 2.5 and under Major Programme 2.1 are concerned. The Malaysian delegation strongly believes that this is the most suitable budget level for us to make sure that there are adequate resources available in the field and to implement the responsibilities that they are supposed to implement. Therefore, we support and endorse the Real Growth budget.

Philip MOUMIE (Cameroun)

La délégation du Cameroun se joint aux délégations qui l'ont précédée pour vous féliciter de votre élection à la présidence de notre Commission. Notre délégation a suivi très attentivement les analyses présentées par le Secrétariat pour attirer notre attention sur les conséquences néfastes de l'adoption d'un budget dont le niveau ne serait pas celui de croissance réelle. La logique qui soutend cette analyse se rapporte par ailleurs aux engagements précédemment pris par les dirigeants de ce monde, et à la nécessité de faire des progrès dans la réduction de la faim et de la malnutrition. Comment pourrions-nous être satisfaits en fragilisant nous-mêmes une organisation dont la mission est si noble, car la mission de la FAO est très noble.

J'en appelle à toutes les délégations d'appuyer l'adoption d'un budget de croissance réelle. Ce serait pour nous déjà une façon d'être sensibles à l'appel des millions de personnes qui souffrent vraiment de la faim. Donnons les moyens à la FAO pour réaliser le programme qui s'inscrit dans le Plan stratégique que nous avons adopté il y a quelque temps. J'invite tous les délégués à faire un petit effort de mémoire de quelques secondes seulement afin d'imaginer ce que c'est que la faim. Parce que j'ai l'impression que de temps en temps on oublie qu'il y a des gens qui ne mangent pas, qui ont besoin de soutien de la FAO pour améliorer leur production. Evidemment peut-être ces personnes ne sont pas dans cette salle. C'est pour cela que je les invite, je vous invite, Mesdames et Messieurs à faire un effort de mémoire pour imaginer le moment où vous avez eu, par hasard, faim un jour. Imaginez toutes ces personnes qui ont besoin de notre soutien. C'est pour cela que j'en appelle à tous pour que nous adoptions un budget de croissance réelle.

Govindar NAIR (India)

First of all let me join others in saying how happy we are to see you in the Chair. If there is anyone who can take us out of this impasse I think you are best placed to do so. I thank Mr Wade for his excellent explanation this morning and for so lucidly setting out the disaster scenarios that we face if we adopt the ZNG thesis. It is really startling what will happen to an organization that is forced to downsize by almost 20 percent by abolishing 740 posts. We can be quite certain that FAO will not be what it has been over the last several years. The Organization will drastically change, its mandate will change, the nature of its activities will change and we can be quite sure that we will not be able to expect very much of the organization in the future.

That said, Mr Wade brought out the strange irony that, while at various forums we talk about our commitment to agricultural development, feeding the hungry and reaching the millennium development goals, we are starving funds from perhaps, the key organization in this battle, FAO. It makes you wonder what FAO, unlike other agencies, has done to deserve this sort of treatment. It also makes you wonder at the statements which are made in various world fora expressing sympathy and empathy with the poor on the one hand, while on the other hand we behave like accountants in key fora like this one, and quibble about decimal points, fractions and percentages.

We have been over these issues several times in the last few months and what we have been hearing today and in the last few days has really just been a repetition of stated positions. I do feel that the sooner we break into your Friends of Chair Group, and actually start negotiations, the better.

I have noticed that today we have not heard a single statement which has not been in favour of growth, in fact all of the statements to my knowledge, since I've been in this room, have been in favour of a Zero Growth Budget, if not a Real Growth Budget. We can go on endlessly expressing our positions, but I really feel we should get down to negotiations and talk about budgetary levels. We also need to reaffirm our faith in the Organization, the fact that FAO has a key role to play in agricultural development and that we want to see the Organization not just survive, but prosper.

India once again reiterates her firm resolve that we should go in for the Real Growth Scenario.

Dario Alberto BONILLA GIRALDO (Colombia)

Quiero expresar algunas dudas sobre los 115 millones de dólares del crecimiento nominal 0 y del ajuste al tipo de cambio y estoy tratando de resolver estas dudas con toda la ayuda prestada por la funcionaria experta de cifras matemáticas y economía, todavía no he podido encontrar una explicación. En mi opinión, si tomara en cuenta el porcentaje que se quiere aplicar en euros y el porcentaje que se quiere aplicar en dólares me resulta una cifra mucho menor de 115 millones de dólares, sumando el presupuesto base de 651.8 millones con los 115.5 millones por el ajuste al tipo de cambio, más 33 millones como aumento de costos o de inflación, que encuentro palabra más indicada, me resulta una cifra de 656.7, menos 651.8, obteniendo así una cifra que sin tener en cuenta la reducción, por los programas de 800.3 millones se llega a un incremento altísimo de cerca 20 por ciento en cifras nominales de presupuesto. Si el presupuesto neto nominal actual es de 652 en cifras redondas y el próximo será de 800, haciendo la diferencia matemática expresada en porcentaje, me resulta de un 20 por ciento, pero este es el resultado matemático, sencillo que cualquier persona que no sea experta en finanzas puede manejar. Es esta la dificultad grande que he encontrado en tratar de entender el resultado de estas cifras y así podérselas explicar a mi país. Por lo tanto pienso que deberíamos seguir insistiendo en obtener más claridad y por esto propongo que organicemos un grupo de trabajo, en el que yo estaría dispuesto a trabajar, y analizar así más detalladamente este tema, vista la necesidad de aclararlo todo y poder aprobar los cuadros. Además tendría que hacer otras consultas con mi Cancillería para fijar una posición final porque de un lado entendiendo la dificultad de la Organización, y del otro lado entendiendo también las dificultades de mi país, por lo tanto se tendría que llegar a una posición conciliatoria respecto a las condiciones de la Organización y también a las condiciones de nuestros países que hoy se ven muy afectados por una gran crisis fiscal. Por lo tanto insisto que debería crearse este grupo de trabajo para hacer claridad total con respecto al resultado de estas cifras.

CHAIRPERSON

Thank you very much, distinguished representative of Colombia, for your conciliatory spirit, but I think perhaps you were not here this morning when Mr Wade explained all the figures and we tried to answer all the questions related to this calculation. Following your intervention, it would seem you understand this. Even the percentages that you mentioned are all right. But I think Mr Wade would be best placed to talk to you on all of these calculations if needed.

Roberto SEMINARIO (Perú)

La delegación del Perú se suma a las felicitaciones expresadas por otras delegaciones por presidir usted la presente Comisión, somos plenamente concientes que con el paso de los años los países le han venido dando mayores responsabilidades a la FAO para combatir el hambre y la desnutrición, mandato que fue recogido por la Cumbre Mundial de la Alimentación. Igualmente, estamos convencidos que la Organización viene cumpliendo un rol preponderante para fomentar la agricultura y la alimentación en nuestros países y que a todo esto se les han encomendado nuevas tareas como las labores del Codex Alimentarius y la Comisión interina de medidas fitosanitarias que tienen estrecha relación con factores del comercio internacional. A lo señalado, vemos que las demandas de los países en desarrollo se incrementan cada vez más, se requiere apoyo de la FAO para enfrentar desastres naturales y situaciones de emergencias para crear capacidades técnicas en nuestros países entre otros. El escenario descrito pone en evidencia que la Organización requiere mayores recursos financieros. En este sentido, la Delegación del Perú apoya la hipótesis de crecimiento real.

ANDRADJATI (Indonesia)

First of all let me also join the previous speakers before me in congratulating you on your election as Chairperson of this Commission and also my delegation expressed its thanks to the Secretariat for the briefing and explanation that has been given in the deliberation of this Commission. I would like to reiterate, to the Council, the statement of my delegation, with reference to the major programmes of FAO. However, taking a look at the extenuating situations between the Euro, the US Dollar and inflation rate, this delegation once more states its support for the Real Growth Scenario as proposed by the Director-General and as contained in document C 2003/3.

Namba MITSUNORI (Japan)

Like previous speakers, my delegation would like to congratulate you on your appointment as the Chair of this Committee. My delegation would also like to thank the FAO Secretariat for introducing us to a new chart and explaining the PWB. I have already noticed that there are many members who expressed their willingness to support this Real Growth Scenario, however, I would like to draw the members' attention to assessed contributions. Generally, when we consider the budget we have to take into account revenue side and expenditure side. I regret that, this morning, FAO Secretariat kindly explained that the new budget proposal just focused on the aspect of expenditure. This is just a one-sided explanation; we also have to take into account contributions. There are members who just supported the Real Growth Scenario. According to the calculation of the Secretariat the Real Growth Scenario figure is 850 million US dollars, this is a 30 percent increase compared with the current budget, current assessed contribution. Even in Zero Real Growth, if we compare the amount of the assessed contribution with current contribution, there is a 23.5 percent increase. This means that the members have to pay by 23 or 30 percent more contributions. This is unrealistic to me, to my delegation and, perhaps, to all members.

We have to take into account the recent economic performance of the world. No single organization can accept an increase of more than 20 percent and this, based on the current budget size, should cause us to reconsider. My delegation prefers Zero Nominal Growth Scenario for two reasons: one is taking into account the less fortunate of the Member Countries and the second regards sound financial management of the organization. And after the expenditure. This morning FAO Secretariat stated that if we take the 1 or 2 deduction scenario, its impacts might be catastrophic. However, this needs to be further looked at, as we may have different views. In our evaluation of the last week, my delegation proposed to seek the areas of high-expenditure to

achieve/realize cost reduction. Firstly, reviewing staff recruitment, secondly, seeking efficiency and increasing savings, thirdly, putting priority on the projects and, lastly, deciding the size of the budget.

In conclusion, Mr Chairman, this afternoon the Secretariat introduced the trend of other international organizations and we checked this, of course, in other UN organizations. Not a single entity that adopted an increased budget was verified. In the past ILO, UNESCO both had Zero Nominal Growth budgets and ILO will continue this trend in the coming year.

CHAIRPERSON

I certainly will ask Mr Wade to check the figures of other organizations, which will not be difficult, and we will come back again with our evaluation, thank you.

Mario Arvelo CAAMAÑO (República Dominicana)

Hace poco más de una hora corría por los pasillos hacia este salón, pensaba que iba a encontrarlo lleno, sin embargo, tuvimos que esperar cuarenta y cinco minutos para encontrar quórum y luego tuvimos también que prestar algunos de nuestros colegas incluidos un colega dominicano para lograr quórum en otras salas. Todo esto resulta desmoralizante, pensaba que este tema iba a atraer a todos los representantes de los países miembro visto la importancia y del cual depende el futuro de esta Organización. Hay tres escenarios que todos conocemos, el primero en el cual la Organización va a tener menos recursos, el segundo en el cual va a tener los mismos recursos y el tercero con el cual va a tener más recursos. Para comprender los alcances de estos tres escenarios hicimos un pequeño esfuerzo imaginativo creando en nuestra mente dos nuevos escenarios, radicalizando los que están presentes, uno en la cual la FAO no tiene suficientes recursos y se ve obligada a cerrar sus actividades dejando los empleados y los representantes en condiciones de dedicarse a otras cosas y otro escenario en el cual la FAO obtiene todos los recursos. En este feliz escenario que por el momento pertenece solo al campo de la imaginación y los problemas que tiene que enfrentar la FAO por la cual fue creada, quedarían resueltos. En el Consejo, mi Delegación, desde la tribuna de los Observadores, escuchó a la Delegación de Australia y otras, abogando para que se protejan los aspectos normativos de la FAO muy importantes como el Codex Alimentarius y los Códigos de Conducta para pesca responsable, el consentimiento fundamental previo, los químicos peligrosos, los recursos fitogenéticos y otros. En este marco también estamos plenamente de acuerdo con lo que Brasil y otros países dijeron que no se podían modificar los programas en ejecución en los países en vías de desarrollo, como el programa especial para la seguridad alimentaria. Estamos también de acuerdo con las dos posturas propuestas. Por lo tanto, la única forma de complacerlas, es con un crecimiento real. La FAO que somos todos nosotros, los países que la componen, tenemos como empleados nuestros a los funcionarios de ella, una FAO estancada con crecimiento real cero estrangulada con crecimiento nominal cero, significa el estancamiento y el estrangulamiento de nosotros los países miembros. El crecimiento de la FAO, por el contrario, es el crecimiento de sus miembros. Conocemos los esfuerzos de la FAO en reducción del personal, tenemos entendido que se han cortado 1.611 puestos de trabajo del año 1994 al 2002, esta es una tercera parte, los esfuerzos de eficiencia, descentralización, racionalización y es cierto hay lugar a más eficiencia, a dar prioridades, a hacer más eficientes los procesos, a racionalizar, a descentralizar, y mientras tanto, mientras trabajamos en esto, hay 842 millones de personas que esta noche, hoy 1º de diciembre, van a irse a la cama, a entregarse a la pesadilla del hambre. Para terminar, voy a decir que además de la voluntad política de nuestros gobiernos, solo una FAO vigorosa puede hacer frente a esta tragedia.

Richard W. BEHREND (United States of America)

Mr Chairman, I wish you much success as you assume your new duties. Like other delegates, we agree that FAO has a worthy, indeed essential, mission to relieve world hunger. The United States contributes to the relief of world hunger through a variety of bilateral aid programmes and contributions to multilateral organizations, FAO among them. But to say that an institution has a worthy mission does not imply any particular level of financial support. There are institutions that serve public purposes funded at a million dollars, there are institutions that serve funded by a

billion dollars and so forth and so on. The United States supports a Zero Nominal Growth Scenario for the coming biennium, with two small adjustments: we could agree to support the additional 14 million dollars requested to amortize after-service medical coverage and we could agree to support the Director-General's request for an additional four million dollars to cover security expenses. That would imply a level of assessed contributions of 661 million dollars. The United States believes that budget increases are inappropriate at a time when many Member States are experiencing financial difficulties and accumulating arrears to the Organization. Indeed, if we are to undertake commitments that exceed our ability to pay, we are simply setting the stage for future financial difficulties.

With respect to exchange rates, just as the Organization has benefited recently from favourable exchange rate movements, we believe it is incumbent upon the Organization to adjust when exchange rates move in an unfavourable direction and, like the delegate of Japan, we believe that to absorb these exchange rate movements, one has to look for efficiencies, economies and prioritization. We would be willing to join other Member States in a consensus to adopt the system of split-assessments, that would protect the Organization against future adverse movements in exchange rates, once a Programme of Work and Budget is approved. Finally, as we launch this debate, I think it's important to bear in mind that the overall level of assessed contributions represents only about one-half of the total financial resources available to FAO. When one adds expected contributions from Trust Funds and voluntary organizations, total resources available are more on the order of 1.3 billion rather than 650 million dollars and, even though not all of those resources are fully fundable, it is a better measure, or a better indication of financial strength of the wherewithal of the Organization.

CHAIRPERSON

Thank you, distinguished representative of the United States. At least there was very good news for the Independent Chairperson of the Council, who has just joined us, namely that you are joining the agreement on the split-assessment because he is chairing that Working Group. That was a good point.

Ariel FERNÁNDEZ (Argentina)

No sé si reiterarle mis buenos deseos para esta reunión, ya que no quiero pecar de repetitivo, después de las diversas Comisiones que ha precedido durante estos años. Estamos seguros que con su liderazgo, como lo ha demostrado en otras oportunidades llegaremos a un consenso. Esta es la palabra clave que tenemos que buscar con ahínco. Las posiciones rígidas generalmente llevan a consecuencias negativas, y es por eso que tenemos que llegar a un consenso.

La Argentina también ha sufrido una catástrofe y una devastación en estos últimos años, en particular nuestros problemas financieros con la Organización, comenzaron en el año 1998. No por casualidad, ya en esos años una serie de factores concatenados hicieron que Argentina comenzara a tener dificultades financieras en su constante apoyo a la Organización. Tampoco fue casualidad que algunos factores un tanto irrealísticos en la ponderación de su contribución de cuotas, hicieran que nuestro país fuera el decimoquinto contribuyente mundial a las Organizaciones Internacionales. Sin duda alguna, esto constituía una irrealidad, que está profundizada en estos días, como consecuencia de la devastación que sufrió mi país. Hoy tiene más de un 60 por ciento de su población, con claros índices de pobreza y sobre esto se están haciendo profundos esfuerzos. Pero el mensaje que desearíamos transmitir a esta honorable Asamblea, es el siguiente: nuestra Organización es un conjunto de individualidades y una colectividad que tiene que seguir el consenso, no se puede ver el todo sin ver el particular en sus partes, y es aquí que arrastramos a nuestro juicio una serie de problemas históricos de la Organización. Todos sabemos que las cuotas se fijan en base a factores ponderados, que surgen de las Naciones Unidas. También sabemos que esos factores ponderados están desacoplados en términos temporales, es decir, hoy nadie podría afirmar que los factores ponderados de hace 6 u 8 años en otras organizaciones de las Naciones Unidas, son extrapolables a lo que sucede en el 2003 o aún más, a lo que ya comenzaba a suceder en 2002 y 2001.

Estamos viendo mundos diferentes, sobre todo el nuestro, que analizarlo con factores estáticos en principio, es una falsedad teórica. También tenemos presente que esta Organización, ha hecho profundos cambios, ha entregado profundas modificaciones, de modo tal de buscar ahorros por eficiencia. Estos los ha logrado y por definición representa un factor dinámico. Me uno a las palabras que mi colega de la República Dominicana manifestó que si hoy midiéramos ahorros por eficiencias de los Estados Miembro, está claro que, la falta de quórum por más de 45 minutos en esta Comisión, o en la otra Comisión, implican que algo está fallando desde el punto de vista de los Estados Miembro. Esto no se ha hecho y nos parece claro, se necesita una profundización del diálogo. Tenemos que ser más modernos, el presupuesto como todos lo sabemos en nuestros países, lleva una discusión de meses y no se decide en dos o tres días. Nosotros instamos a que las cuestiones presupuestarias que definen la vida de la Organización por el término de dos años, y con consecuencias también posteriores, sean producto de un diálogo mucho más activo entre los grupos regionales y la Secretaría. A nuestro juicio no es posible que solo en órganos de composición restringida, se llegue a una especie de consejo, sugerencia o recomendación, cuyo análisis va a tener que ser realizado en menos de dos meses. Los órganos de composición restringida cumplen un rol vital en esta Organización, pero debe existir mayor tipo de diálogo, no es posible que decidamos en tres días, cuestiones fundamentales del presupuesto de la vida de la Organización y de las cuotas de ésta. Yo quiero recordar a nivel de mi país, y solicito las disculpas del caso por la extensión, que no es por falta de voluntad política, que Argentina está sufriendo un potencial incremento de su cuota que podría impactar seriamente en la responsabilidad fiscal. La voluntad política y la responsabilidad fiscal, son dos caras de una misma moneda. Por consiguiente, nosotros estamos abiertos al diálogo con todos los miembros de la Organización, pero también solicitamos comprensión como lo han adoptado otras Organizaciones del sistema y menciono por ejemplo: la OIT, la OIM, ONUDI, UNESCO, la Organización Mundial de la Salud, el Tribunal Internacional de Derecho del Mar, etc., que han comprendido esta situación en la que está viviendo actualmente nuestro país. No queremos profundizar la simetría en la responsabilidad fiscal individual y colectiva de todos los Miembros de la Organización, pero si debiéramos discutir que no hay mecanismos automáticos, que no se pueden utilizar factores ponderados de 6 u 8 años de antigüedad a situaciones precedentes y algún día lo tendrá que reconocer la Organización. Sus órganos intermedios tendrán que analizar con profundidad el tema, porque de otro modo viendolo en perspectiva histórica no solo a mi país le ha crecido su cuota en un 167 por ciento al término de seis años. Esta es una simetría clara, que no necesariamente ha sido compartida por otros miembros, obviamente, nuestro país quisiera que esta organización tenga un crecimiento real. Es una decisión que adoptaremos verificando la voluntad política de estos días de modo tal de llegar a una decisión concreta y responsable, porque como dijimos antes, la voluntad política y la responsabilidad fiscal para nosotros es parte de la misma moneda.

CHAIRPERSON

Thank you very much for this information. The scale of Contribution is Agenda item 17 and will be discussed in Plenary on Monday, 8 December.

Ibrahim Bocar DAGA (Mali)

Ce serait peut-être une répétition que de vous féliciter de votre nomination à la tête de notre Commission, nous qui avons le plaisir et le bonheur de vous avoir avec nous en permanence à Rome, savoir combien vous êtes effectivement l'homme de consensus, qu'il faut, quand il y a des problèmes délicats. Vous savez parfaitement arrondir les angles et accepter à la limite ce qui est acceptable. Nous sommes rassurés par votre présidence de cette Commission, d'où sortiront des résolutions, si ce n'est une résolution consensuelle qui soient aussi à l'avantage de notre Organisation.

Monsieur le Président, le problème de budget de cette Organisation est un problème très délicat. Il est vrai que de nos jours tous les pays peuvent avoir des problèmes par rapport à leur contribution dans quelque organisation que ce soit. Depuis quelques années, nous sommes confrontés à une prolifération d'organisations, on crée des organisations pour tout et pour rien parfois et toutes ces

organisations naturellement requièrent des contributions des États Membres pour fonctionner. Mais nous pensons qu'il y a différents types d'organisations et tous les états ont un ordre de priorité par rapport à ces dernières. Nous avons pensé et nous le pensons encore, que la FAO fait partie de ces organisations majeures à qui le Sommet du Millénaire a confié une tâche excessivement importante, si ce n'est la plus importante: réduire d'ici 2015 au moins de moitié la faim dans le monde, c'est une gageure. Comment ceci peut-il se faire ! si effectivement et en même temps on ne donne pas à la FAO les moyens requis pour cela. Nous savons que de trois scénarios qui vous ont été proposés, pratiquement aucun n'est à la hauteur de cette ambition, mais pendant quelques années le Secrétariat de la FAO et, bien sûr, nous-mêmes ici avons fait des efforts louables pour contenir les besoins et nous voyons ce que cela donne, malgré les performances de la FAO, nous voyons que la faim ne recule pas ou alors recule trop peu à nos yeux.

Donc, Monsieur le Président, il conviendrait peut-être d'interpeler les consciences car il ne suffit pas de faire des déclarations, il faut passer aux actes. Seul dans des circonstances actuelles un scénario de croissance réelle peut aider la FAO, nous le pensons, à atteindre les objectifs qui lui ont été assignés, non seulement en 1996 par les chefs d'État mais réitérés encore plus récemment en 2002. Comment comprendre, par ailleurs, que l'on puisse demander à la FAO de lutter contre la faim et quand il y a un choix à opérer, qu'on restreigne les moyens dus aux aspects de production de cultures vivrières par rapport aux aspects normatifs. Nous disons, ici, au niveau de cette enceinte, que tout le monde s'entende pour accorder l'importance aux aspects normatifs et un signe de bonne volonté, de ceux qui n'ont pas suffisamment à manger parce que, comme je l'ai déjà dit, avant de penser au qualitatif on pense d'abord au quantitatif dans une situation de pénurie. Ce qui a poussé tout le monde à accepter qu'il faudrait effectivement accorder une certaine importance aux normes ou aux aspects normatifs, doit surtout les inciter à accroître les moyens qu'il faut pour produire davantage; c'est pourquoi parfois, nous ne comprenons pas certaines positions.

Aujourd'hui, nous sommes heureux de constater ce que tout le monde a compris, c'est-à-dire que le "split assessment" n'augmente en rien la contribution des pays au niveau de la FAO. Cette cause étant entendue, voyons plutôt les objectifs que nous attendons de notre Organisation. Nombreux sont les pays qui, ici, ont déclaré aujourd'hui, nous en sommes fort heureux, qu'il faudrait effectivement s'engager résolument vers une croissance réelle. Nous comprenons parfaitement les pays qui ont quelques réserves mais il y a une contradiction qu'il faudrait relever. On ne peut pas en même temps vouloir une chose et son contraire; soit ici au niveau de cette enceinte nous nous approprions les mots d'ordre, les consignes que les chefs d'État nous ont ici même laissés, soit, nous sommes en porte-à-faux. Nous le disons encore, il y a deux manières d'atteindre les objectifs du Millénaire, soit on se donne les moyens de produire davantage pour nourrir la population, soit alors on laisse la FAO stagner, nous ne faisons rien de plus et naturellement à terme nous aurons la moitié des personnes aujourd'hui affamées qui risquent de mourir et on dira toujours qu'on a atteint les objectifs du Millénaire d'ici 2015. Dieu nous en garde, nous pensons que les uns et les autres n'ont pas cela comme ambition, les uns et les autres veulent au contraire que nous puissions tous les jours nourrir davantage de personnes.

C'est pourquoi, Monsieur le Président, nous conjurons les uns et les autres de faire appel à leur conscience et comprendre que ce qui leur est demandé n'est pas extraordinaire, ce n'est que donner des moyens à une organisation, à qui on a donné des termes de référence bien précis, de pouvoir les accomplir. Nous comptons en tout cas sur la volonté des uns et des autres, nous devons espérer que les nombreuses délégations qui se sont prononcées ici pour une croissance réelle, pour une fois, seront entendues, tout en respectant naturellement ceux qui émettent des réserves pour des raisons objectives.

CHAIRPERSON

Thank you, Mr Ambassador, for your kind words. In this special situation I certainly do need all your prayers and the goodwill of everyone.

Ahmad AL-KHALAF (Kuwait) (Original language Arabic)

In the name of God the Most Merciful, the Compassionate.

At the outset I should like to associate myself with the preceding speakers who have expressed their congratulations to the Chairman and to thank the Secretariat for their finely prepared documents and clear information it has provided regarding the budget, and I should likewise like to thank Mr Wade for his ample explanations given this morning.

It is certain that the State of Kuwait fully understands the obstacles and difficulties faced by FAO with regard to their responsibilities and commitments, particularly with regard to the problems of hunger and poverty in some of the poorest countries. There is no doubt that there is a challenge with regard to providing sufficient means and allocations to the Organization in order to carry out the projects serving the interests of some of the poorest countries.

Today, also, we discuss the budget of 2004/05, which constitutes one of the most important topics under consideration in this current session. There is no doubt that FAO, in foresight, needs to reconsider and review its strategy, particularly in the light of the decreasing investment and allocations for investment, and the desire to reduce costs, as mentioned by the distinguished representative of Japan.

Undoubtedly, with the adoption of the Real Growth scenario, we in future will be faced with an increased budget which, in turn, entails additional responsibility to the major contributors. We certainly support the views expressed by many countries who, in turn, supported the Real Growth scenario and all the justifications emphasizing the importance of supporting and consolidating FAO and its programmes, yet this in itself does not absolve FAO from the task of reconsidering and revisiting its own strategy and its format of expenditure for the forthcoming years. That is why the adoption of the proposed budget with an increase of 30 percent over the current budget would constitute a greater burden on the Member States, especially those who are prompt and contractual in paying their dues.

We are fully convinced of the importance of seeking growth on the basis of ZNG, which does not run counter to the interests of poor countries. Kuwait has a rich history of decades of supporting poorer countries, and it has paid millions of dollars through the Kuwaiti Development Fund and other banking institutions where Kuwait is a major contributor, whether in Africa or Asia. This, of course, does not run counter to our policy, but we in Kuwait believe that we have to maintain and safeguard the budgets and the budgetary allocation approved, because this would entail considerable additional burdens to the Member States.

That is why we support the Zero Nominal Growth as far as the budget is concerned.

José A. QUINTERO (Cuba)

La Delegación Cubana quisiera reiterarle sus felicitaciones por haber sido designado para dirigir los importantes debates de esta Comisión. Hemos discutido bastante en estos días sobre el tema en cuestión, primero en las sesiones del Consejo, y ahora en las labores de este período de sesiones de la Conferencia. Como ha sido recordado por una gran parte de las delegaciones, la FAO tiene el mandato otorgado en la Cumbre del 96 y ratificado en el 2002, de poner en práctica todos sus esfuerzos para mejorar la situación alimentaria en el mundo.

La disminución constante de los recursos que hoy en el mundo son destinados a la ayuda y al desarrollo, es una de las causas de que actualmente tengamos que aceptar el hecho que en vez de avanzar las estadísticas muestren un retroceso preocupante en la situación del hambre y la desnutrición en el mundo. En este momento en el que nos encontramos reunidos, tenemos sin duda la oportunidad de mostrar claramente nuestro compromiso con los objetivos de la Cumbre Mundial de la Alimentación y adicionalmente podemos contribuir a que la tendencia hacia la disminución de estos recursos sea totalmente detenida.

En nombre de nuestra delegación, deseo dar las gracias a la Secretaría por la información tan clara que en estos días nos ha proporcionado y por los esfuerzos que ha desarrollado para que tengamos una idea más clara sobre el significado de cada una de las hipótesis presentadas. Por último, deseo expresar que nuestra delegación apoya la hipótesis de crecimiento real, porque creemos firmemente que es esta la opción que nos ayudará a continuar luchando con éxito contra el hambre y la desnutrición en el mundo.

TANG SHENGYAO (China) (Original language Chinese)

When we talk about the Programme of Work and Budget, there are certain figures that we have to keep firmly in mind. We have to work on a basis of figures and that is the only way of understanding the very complex workings of the Programme of Work and Budget.

The Secretariat has presented a scenario today on a basis of an exchange rate of 1.19 but, in fact, the scenario was drawn up on a basis of 1.15 and it is difficult for me to change, to take into account these two different figures, when assessing the situation. I think it is obviously an exchange rate which has changed and it is very difficult for me to compute the figures on that basis. According to the Real Growth Scenario for 2004/05, the FAO budget is 1113 in euros, that is an increase of 29.4 percent and the Member States' level of contribution will reach 830 million dollars, a 29.3 percent increase, in other words. That is the Real Growth Scenario situation.

If we consider the Zero Real Growth scenario, Member States' contributions will increase about 22.5 percent, so there is significant growth in the budget level. The euro has increased and now stands at 1.19. I do not know what the exchange rate will be when we actually adopt the budget level. Perhaps, if the exchange rate stands at 1.2 at that time, we will have to recalculate all these figures.

FAO is a specialized organization for food and agriculture and, as such, its responsibility is reducing poverty. It is quite normal for the Member Nations to ask more from the Organization and it is extremely important for all the programmes to continue for Forestry, Fisheries, CODEX Commissions, and it is important that FAO has sufficient resources to be able to continue its mission.

On the other hand, we think that the real situation within Member Countries has to be borne in mind. At the moment, our country's budget has seen zero growth in all programmes and it is a situation which has been unchanged for many years. We have seen for very many years, zero growth in all of our programmes. We believe that if we see an increase of 29 or 30 percent, well, it is a very difficult situation that we find ourselves in, as we have said before.

Perhaps the Zero Real Growth scenario is the one we ought to be considering. We may be able to have something which is close to zero real growth and obviously the definitive budget level is something that all the Member States will decide together.

Ms Bongive Nomandi NJOBE (South Africa)

Members of FAO probably know more than any other development sector, the difficulty we have as agricultural sectors, to increase levels of investment and support into our critical and pivotal sector for a range of reasons within our own countries. One of these is the long-term lag effect that is seen on the returns to investment in agriculture. And yet we also know, when faced with a crisis that is related to hunger or food insecurity, it is often this knowledge and capacity that has been accumulated over time through our collective effort, that is drawn upon to solve or redress the problem.

It is thus ironic that we now have to put the Secretariat under such pressure to present a case for an increased scenario, after what we believe is a respectable period of belt tightening and reform in the Organization. Unfortunately now, during the Council Meeting and today again, the focus of this discussion here is on the difficulty some Member Countries have in accepting the principle of increase in budget levels in the face of identified needs, rather than using our valuable time together to discuss the agricultural challenges faced and the actual work of implementation of the Programme of Work, which is the agenda item we are now discussing.

In the meantime, as you grapple with these financial issues, the complexities that are facing the agricultural sector in both the developed and developing countries are growing. The boundaries between the roles and impact of the range of activities in the agricultural sector, from production to productivity, are becoming blurred with market access issues, competitiveness, income generation, poverty eradication, sustainable management and use of natural resources, and responding to the advancement in science and technology. And yet the imperative we have is to look at the total value of the food production from field to plate. This growing complexity is reflected in the scope of work currently undertaken by FAO and would be compromised if we had no growth in the budget. So, with due respect to the possible fears that may be faced by various countries in implementing the real growth scenario, or the increased scenario, we believe that there is a fundamental principle we need to uphold and that is the imperative for us to support a real growth option as demonstration of our commitment to the core mandate of FAO and the strategies we, as Members, have agreed to with the adoption of the Strategic Framework for 2000–2015. Once we do that, we might then use our time together to deepen our collective understanding of the complexities in facing global food insecurity.

South Africa supports the Real Growth scenario.

Ms Barbara EKWALL (Switzerland)

Thank you Mr Chairman for the opportunity to make a statement which we will focus on the Programme of Work. There is wide consensus that considerable work must be done to meet the goal the international community set itself to halve by 2015 the number of the world's chronically hungry and undernourished people. Seventy percent of these people live in rural areas and depend on agriculture for their survival. In order to reach the above goal, it is indispensable that rural development and sustainable agriculture be vested with top priority. Switzerland recognizes the crucial role of FAO in this context and in making the World Food Summit Plan of Action become a reality. It is against this background that we have analyzed the Programme of Work and Budget for FAO.

Switzerland thanks the Secretariat for the excellent document. Its present format and structure allow for a rapid, focused and clear overview of FAO's priorities in the next biennium, it also provides relevant information on activities to be undertaken. We appreciate the focus on the twelve strategic objectives and the six complementary, cross-cutting strategies. We also recognize the attention given to the Priority Areas for Inter-disciplinary Actions identified in the mid-term plans.

With respect to the substance of the programme of work, Switzerland appreciates that it reflects the main priorities set out in the Medium-Term plan and that adjustments were made to respond to the priorities of the Members regarding, among others, CODEX Alimentarius, Plant Genetic Resources, Forestry and IPPC.

Our major preoccupation concerns Program 2.5, Contributions to Sustainable Development and Special Programme Trusts. This program makes a sizeable contribution to achieve FAO's strategic objective "Sustainable Rural Livelihoods and more equitable access to resources. It covers areas as gender, HIV/AIDS, access to land, Sustainable Agriculture and Rural Development (SARD), as well as the Special Programme for Food Security. We want to emphasize the crucial impact this program has in promoting rural development, poverty alleviation and sustainable development.

We noted, with appreciation, that program 2.5.2, Gender and Population, did not suffer from cuts made throughout the other parts of the Major Program 2.5. On the other hand, it is struggling with the shortfall of contribution from other sources. This program deals with the critical issue of HIV/AIDS and should continue to receive highest attention and adequate funding.

With special reference to the World Summit on Sustainable Development in Johannesburg, we are of the opinion that program 2.5 should be protected from further budgetary cuts, taking into consideration the direct impact these activities have on the livelihoods and on the food security situation of the poorest populations in developing countries.

For a decade now, FAO has successfully undertaken important restructuring, taken advantage of synergies and achieved unprecedented efficiency savings, while at the same time improving the quality of its services to members and responding to diverse demands for additional, mainly normative, activities. Switzerland commends the reforms undertaken and thanks FAO personnel for this achievement and its commitment.

The search for efficiency, increased impact, and better results must continue to be a permanent feature of FAO's work. Monitoring and independent evaluation are crucial in this context and a priority for the organization. Based on these considerations, Switzerland emphasizes the importance of providing FAO with adequate budgetary means to consolidate the reforms and to build on the improvements achieved in the past years.

The Conference is meeting in Rome to give orientations for the work of FAO in the next biennium and provide the means to concretize these orientations. But I feel we all came to Rome, carrying with us the worries of the present situation back home. The decisions we will take here, however, have to be seen with a longer-term perspective in mind. They have to be seen from the perspective of the efficient functioning of an organization of which we are Members and shareholders but, more importantly, from the perspective of our commitment to reduce hunger and poverty, as reflected in the Millennium Declaration and the World Food Summit Plan of Action.

As was expressed by many other Delegations, Switzerland sincerely hopes that it will be possible to reach consensus on this important issue.

Ms Anna BLEFARI MELAZZI (Italy)

I am speaking on behalf of the European Community and its fifteen Member States. The ten acceding countries to the EU associate themselves with this statement.

We appreciated the debate which took place at the 125th Council in a constructive atmosphere. On that occasion, most Members of the Organization, including the European Union, recognized the need to provide FAO with sufficient financial resources to carry out its Programme of Work and to meet the challenges of an increasing demand for its important activities.

Considering the different possible budget scenarios presented by the Secretariat, and in light of the various points of view illustrated by the Membership, the EU believes that the following items of the budget level should be taken into account:

Preservation of the purchasing power of the Organization resources, in the light of the exchange rate fluctuations between the functional currency and the Euro, in which approximately one half of FAO's payments are made. Failure to take this factor into adequate account will negatively affect the capacity of the Organization to fulfil its mandate.

Provision for the amortization of After Service Medical Costs, with particular reference to the first tranche to be set aside in the next biennium.

We are ready to discuss the amount of cost increases that FAO is expected to face.

In reaffirming our confidence in the role that FAO has to play for the reduction of hunger and poverty as well as for the support of agriculture and rural development in the world, we are ready to participate in the ongoing negotiations with a very constructive attitude in order to determine the budget level in line with the needs of the Organization for the next biennium, and we wish you every success.

At the same time, we would like to stress the need for FAO to continue streamlining its procedures and achieving more efficiency gains with a view to a more efficient and effective management of its resources.

Arnaldo DELGADO (Cap-Vert)

La délégation du Cap-Vert voudrait elle aussi vous féliciter pour votre élection à la présidence de cette Commission. Les données avancées et les explications fournies par M. Wade, ainsi que les interventions faites par les honorables délégués de l'Afrique, qui m'ont précédés ainsi que les interventions de l'Indonésie et l'Afghanistan ont été pour nous suffisamment éloquentes. Par conséquent, nous nous abstenons de nous répéter. Nous dirons tout simplement que la délégation du Cap-Vert voudrait aussi défendre un budget à croissance réelle.

Carlos Alberto AMARAL (Angola)

J'aimerais m'associer à toutes les délégations qui m'ont précédé et vous féliciter pour votre élection comme Président de cette Commission. J'aimerais féliciter également la FAO pour la forme claire et détaillée présentée pour le budget 2003 et 2004. L'aspect fondamental qui a déjà mérité un déballage dans les travaux du Conseil concerne les choix de l'option pour servir au mieux le budget de l'Organisation et les États Membres.

Durant cette année le Comité des Pêches, des Forêts, de l'Agriculture, de la Sécurité alimentaire, la Commission de la génétique, le Codex Alimentarius se sont réunis de façon consciente et ont proposé de nouvelles actions pour mieux concrétiser les objectifs de la FAO. Cela implique inévitablement des coûts supplémentaires, et les interventions du Conseil des Comités techniques et du Secrétariat ont reconnu que le secteur de l'agriculture a été sous estimé, ces dernières années par les gouvernements des pays en développement en faveur de l'aide publique au développement qui a diminué la qualité de 0,21 pour cent du PNB au lieu de 0,7 pour cent promis aussi bien par la Banque mondiale que par d'autres banques de développement.

Ceci a réduit les financements du secteur agricole et la FAO ne constitue pas une exception, comme confirmé le budget approuvé des dernières années qui confirme la réduction et considère qu'il a des orientations précises du Sommet mondial et du Millenium pour réduire la moitié du nombre de personnes souffrant de la faim avant 2015 et que la FAO joue un rôle important de coordonateur dans ce processus international de réduction de la faim et de la pauvreté, ma délégation est de l'opinion que seulement avec un budget de croissance réelle il est possible atteindre ces objectifs définis qui aident les pays en développement à résoudre les problèmes agricoles. Nous sommes conscients que ces budgets de croissance réelle impliquent de plus hautes contributions mais nous pensons que l'effort solidaire concerne la communauté internationale dans son entier. Il conviendrait également que les pays en retard de paiements de contributions puissent faire un effort pour régulariser la dette afin que l'Organisation puisse travailler avec normalité.

Ms Martha MOTSELABANE (Lesotho)

My delegation would like to reiterate what other delegates, who have taken the floor before me, have said in support of the Real Growth Scenario. It is a fact that many of the countries are behind schedule in meeting the World Food Summit goals and are in need of FAO support in Policy, Technical Assistance and Capacity Building. We would like to thank the Secretariat for explaining the various scenarios and their implications on the next Biennium Work Plan and Budget. We are aware that without additional or adequate resources, FAO would not be able to assist as required. We appreciate initiatives already being initiated by FAO in cost-reduction measures. We strongly feel that we should not impose additional demands on the Secretariat for the next Biennium Work Plan and Budget. We therefore strongly support the Real Growth scenario.

Sra. María Eulalia JIMÉNEZ DE MOCHI ONORI (El Salvador)

El Salvador se encuentra al día con el pago de sus contribuciones a la FAO, por esto deseo señalar que mi Gobierno ha hecho muchos esfuerzos como demostración del respaldo y el apoyo que queremos brindar a esta importante Organización. Usted nos solicitó al inicio de nuestros debates que dejáramos a un lado por decir así, la cuestión de la asignación de cuotas en dos monedas, así

lo haremos, pero claramente lo que se decidirá en este debate influirá decididamente en el monto de nuestras contribuciones y tengo que señalarle, que mi Gobierno no quisiera ver incrementada su cuota, que ya con tantos esfuerzos paga. De acuerdo con su solicitud, esperaremos los resultados de los debates en el Grupo de Trabajo que Usted preside. No obstante lo anterior, la delegación de El Salvador también está conciente de la importancia de darle a esta Organización los recursos necesarios para atender las necesidades que nuestros mismos países le plantean. En ese sentido, nosotros estamos firmemente convencidos de la necesidad que, tanto la Organización como los países miembros hagamos esfuerzos para cumplir con nuestras obligaciones. Hay que buscar mecanismos válidos y eficientes que logren mejorar realmente la situación del pago de las contribuciones. Si todos cumpliéramos a tiempo con nuestras cuotas, no estaríamos en la situación en la que actualmente se encuentra esta Organización. La FAO por su cuenta, y de esto estamos seguros, buscará los mecanismos para lograr una mayor eficiencia, en buscar alternativas viables que hagan frente a las necesidades que les plantean nuestros países y por esto la instamos a que continúen explorando otras alternativas que puedan ayudar en este sentido. También es importante que nosotros, los países, establezcamos prioridades en lo que solicitamos a la Organización y por esto la delegación de El Salvador considera que en el Programa de Labores y Presupuestos que estamos analizando es fundamental para la revitalización del Programa de Campo. Es ahí, donde la labor de la FAO es fundamental. No tanto en la sede, como en el campo, es con esto que la asistencia de la FAO ayuda realmente a mejorar las condiciones de nuestros campesinos, y de nuestras poblaciones. Por esto también respaldamos el Programa de Cooperación Técnico, mecanismo eficiente en este objetivo. Queremos reiterar la necesidad de que se le asigne a la región de América Latina un mayor porcentaje del presupuesto de la FAO. También compartimos lo que expresó el distinguido delegado de Afganistán, esta mañana, particularmente la importancia de la asistencia que se le dé a los fondos destinados a los Programas de Producción Agrícola y Pesquero y a los servicios de apoyo que la FAO realiza. Otra cuestión que para nuestra delegación reviste vital importancia, es el respaldo que debemos darle a la aplicación del Tratado Internacional de Recursos Fitogenéticos para la Alimentación y la Agricultura. En junio de este año El Salvador fue el 25° país que ratificó este Tratado que considera de vital importancia para las generaciones futuras. Por el momento estas son las consideraciones que nuestra delegación quería hacer, en el entendido que continuaremos debatiendo este importante tema, confiamos que bajo su acertada dirección, llegaremos a un consenso en determinar el nivel de presupuesto más adecuado para nuestra Organización.

KYEONG-KYU KIM (Korea, Republic of)

I am happy to see you again in the Chair, and I am also very happy to see Mr Wade still present. This morning my colleague from the North Korean peninsula strongly insisted on a Real Growth budget scenario. Unfortunately the delegation from the South peninsula has an adverse view on this matter. I know you are in great difficulty to accommodate all of these views. I will be very brief, Mr Chair. The basic position which Korea holds on the budget level is for ZNG which has over US\$ 650.8 million. I don't think I have to repeat why. Japanese and US colleagues said what I wanted to say. I have never seen 23 percent or 30 percent increases in our budget even during the high level of economic growth in past decades. Considering the certain level of depreciation of the Korean Won against the US dollar and the Euro during the past two years, the budget in our currency shall increase sharply again. However, Mr Chair, in order to compromise and negotiate successfully we will try to show our flexibility when we deal with numbers tomorrow. As far as the split assessment, basically we acknowledge the benefits it has, even though it may increase our burden and exchange risk.

Ms Nihal HEGAZY (Egypt) (Original language Arabic)

I should like to start by expressing our pleasure at seeing you in the Chair, Mr Chairman, particularly as you have led our delegation in many other fora at various times, where difficult issues were dealt with. That is why we are very optimistic and we are certain that your leadership will lead us to success and consensus. I am not here to deliver an official statement since we did so on behalf of the Egyptian delegation and the Near East Group in the course of the 125th Council Session, but we should like to provide you with certain views of ours which may shed

light on our path to solve this issue. The delegation of Egypt and most members of the Near East group support the Real Growth scenario of the budget. Yet, we are realistic and we know full well that if we arrive at a consensus this will not be on the basis of a Real Growth of the budget but will be for a consensus solution to be reached among us where we arrive at Zero Real Growth of the budget. But I cannot understand how we can insist, in the light of all international responsibilities which we have shouldered and expressed at this fora, on accepting a Zero Nominal Growth for the budget. Let me remind my colleagues,

The colleagues here, present only one year ago; we met here in this very room and we issued a statement within the framework of the World Food Summit: five years later, along the following lines: "...in an international alliance against hunger we promise the following..." and this was followed by the text of the statement. How could we have done this a year ago and then, in the light of the international events and increased levels of inflation, how could we come here to say that we support and call for a Zero Nominal Growth of the budget? We are here not only comprising contributing countries and beneficiary countries, we are all here fighting hunger and poverty. If we succeed in this aim and objective we will all be on the beneficiary side. We are all, at the same time, contributing countries to varying degrees of our own abilities, but the possession of our own projects and schemes and our feeling that all this will yield results which are beneficial to us make us realize that in the final analysis we are all beneficiaries. May I say this in full realization that my country is thus classified. For example, Egypt is the largest African contributor in the Agricultural Development Fund for Africa, we contribute to FAO, we pay regularly and at the same time we speak on behalf of a region which suffers from natural and man-made catastrophes which need increasing contributions year after year. Therefore we cannot but support the scenario of Zero Real Growth and if we can achieve consensus, a consensus solution will be fully supported, provided it reflects our previous commitments and our ambitious interests.

Ms Wafaá DIKAH (Lebanon) (Original language Arabic)

Firstly I should like to congratulate you on your Chairmanship of this Committee. The delegation of Lebanon would like to express its appreciation of the budget document and its format particularly with regard to the presentation of the various options. Above all, we realize that most of the programmes which are adversely affected are of major interest to developing countries. These countries need the support and active contribution of FAO. I would not like to go into a detailed list of these programmes but I refer simply to programmes for rural development and gender equality. For these reasons my delegation finds it essential to emphasize the importance of the Real Growth Scenario in the UN. We believe that it is fundamental in order to help the organisation achieve some of its aspirations, primarily on the basis of its adopted medium-term plan in addition to development and cooperation programmes and some programmes which help to achieve commitments and obligations by member states to international programmes. Here I should like to express appreciation for the improvements in administrative programmes and activities for the regions. I believe that, the stage, as it has been already mentioned by the delegation of Egypt, is rich in changing developments at the international and global levels and the openness of markets, but all this circles around the consolidation of various strategies and policies for realization of the interests of us all.

Ms Maria-Theresa LAZARO (Brazil)

The delegation of Brazil, at the last session of the Council, fully supported the role of FAO in the fight against malnutrition and hunger in the world. It is a governmental priority in Brazil under President Lula Da Silva to associate our national actions to combat hunger and malnutrition with international action, under the aegis of FAO's works. Brazil is extremely conscious of the significant role played by FAO in the support of Member Countries' efforts to promote rural development, aiming at raising people's levels of nutrition. FAO acts as a catalyst for international efforts to promote rural development through its technical cooperation programmes. Following our national experience, we feel it important to associate new effort with this scene. Civil society, either through NGOs or through enterprise, should be present here. In this sense I should like to

bring to the attention of this distinguished assembly, the nominative proposal presented this morning to FAO by the head of the Brazilian delegate to the Conference, Mr Graziano da Silva. Mr Da Silva proposed that bringing the civil society to the debate on food security, carried out at these organizations, represents a definite step forward in the constructive action that we all, as Member States of FAO, pursue in the direction of raising the standards of living in the world.

The Committee on Food Security should be reformed in order to incorporate representatives of the civil society to its work, and reinforce, in order to make its presence in decisions on investment of new money collected to constitute the international funds to combat hunger, recently proposed by President Lula da Silva. As for the budget level for 2004 and 2005, I will quote the Permanent Representative of Brazil at the last Council by stating that we have before us not an easy choice. Present budgetary restrictions in many developing countries, resulting from strict fiscal policies, make it very difficult to consider increased contributions to international organizations in general. This is in spite of FAO's case being a very sensitive one for developing countries. However, we will try to be flexible in considering this matter, but we cannot engage ourselves in ambitious magic which ignores our present economic restrictions.

Neil FRASER (New Zealand)

We have been asked here to reach agreement on a budget for 2004 and 2005 on a consensus basis, and from what I have heard in this room today, that may be difficult. We appear to have proponents for Real Growth and for ZRG, and ZNG at 651.8 million US dollars and ZNG at 767 million US dollars, and one or two other variations. It would appear that we have a choice of basically only four levels of budget, but we don't agree that this is the only choice we have. Just the choice of an acronym. Perhaps we should move outside the acronyms. Perhaps it would be easier and allow more flexibility to countries in coming to a consensus decision if, instead, we were to be negotiating and discussing with a view to coming to agreement on a figure, not just an acronym.

A Working Group probably provides a much better atmosphere for such a discussion. Another consideration, a major impact is the exchange rate movements which Mr Wade described as a blip. I wonder, should we make our decision on the basis of a blip? Mr Wade went on to say, I think, that he thought this blip would go through some level of correction over the next few months or the next year. In other words, that FAO stood to make a budget windfall gain if the blip does correct and the dollars that the Organisation holds or would collect would purchase more goods and services due to the exchange rate movement. This factor would certainly need to be factored into the considerations of members in coming to a decision, and perhaps the Friends of the Chair Group would be a more amenable forum for such a discussion than the Plenary of this Commission here.

David INGHAM (Australia)

Australia would like to join other delegations in congratulating you on your appointment and expressing our confidence in your ability to direct us towards a consensus outcome on the very important issues before us today. Australia thinks it is important to clarify precisely which scenarios are being discussed and we therefore thank the Secretariat for producing the tables of four scenarios provided this morning. Australia is committed to Zero Nominal Growth as a setting for all UN agencies and therefore Australia supports an FAO budget which excludes any exchange rate supplementation and does not exceed 651.8 million US dollars. The scenario called Reduction Scenario II by the Secretariat in their table – we would argue that this is the appropriate ZNG scenario. Australia believes that maintaining the FAO budget at this level will continue to impose financial discipline which is an essential element in making the organisation a more efficient, effective and more productive one. We recognise that, in terms of the real level of resourcing, this will require significant adjusting by FAO with FAO needing to make major structural and pragmatic changes. National governments are continually facing increasing financial pressures within their own national budgets. We think it is important that FAO recognises this. Many countries are under severe financial stress and Australia believes that the level of the FAO budget needs to take account of these realities.

Moving from the budget level to the FAO Programme of Work, Australia would draw the Conference's attention to those FAO programmes which the Governing Bodies have recently and consistently stressed should be radically funded. This would include IPPC and Codex Alimentarius, Fisheries and Forestry areas. Australia strongly supports the allocation of adequate resources to these areas to enable them to meet the expectations of Member Governments in carrying out their critically important work. In view of the clear guidance which has been provided by the Technical Committees, the Programme Committee and Council, these activities need to be fully funded to levels previously identified by the governing bodies, irrespective of whatever budgetary level is funded at the deliberations during the next couple of days.

Mme Catherine OUEDRAOGO (Burkina Faso)

Ma délégation se joint à tous ceux qui vous ont félicité pour votre élection. Nous vous savons sage et toujours à l'écoute des préoccupations des uns et des autres et nous savons que vous allez arriver à ce que nous attendons tous avec espoir. Nous avons choisi de faire confiance aux experts de la FAO qui, depuis que nous abordons ce sujet, n'ont pas cessé jusque là de nous parler de la catastrophe que serait le scénario nominal zéro. Personne ne souhaiterait donc aller dans ce sens et ce ne sont pas nous les pauvres qui sachant où nous mène un tel scénario allons le soutenir aveuglément. Nous voudrions ici exprimer notre étonnement lorsque tout le monde s'accorde à dire : « il faut que la FAO... il faut que la FAO... ». Nous voudrions poser la question de savoir : « c'est qui la FAO? » mais je pense que c'est nous tous qui formons cette organisation merveilleuse aux nobles objectifs vers qui les regards des plus pauvres sont tournés avec espoir.

Je voudrais dire ici aux pays nantis combien nos paysans et surtout nos femmes s'échinent et s'épuisent encore au travail et, face aux réductions annoncées, que deviendraient tous ces gens qui représentent dans mon pays près de 80 pour cent de la population. Que deviendrait un tel pays dont 80 pour cent de son énergie productive se retrouverait réduite par des scénarios que nous concevons effectivement ici comme une véritable catastrophe. C'est là que nous aussi, à l'instar de l'honorable délégué du Mali, nous parlons d'appel à la conscience; que coûterait le fait d'aller dans le sens d'un scénario à croissance réelle avec la volonté politique requise et l'ambition d'en expérimenter tous ces impacts réels et objectifs et d'en tirer tous les bénéfices pour ceux au nom desquels la FAO œuvre inlassablement.

On ne peut pas réduire les moyens de production et vouloir résoudre les questions liées à la faim. Mon pays est classé parmi les pays les plus pauvres du monde où plus de la moitié de la population vit en dessous du seuil de pauvreté. Malgré cela, nous avons dans nos cahiers une liste d'activités que nos femmes et nos braves paysans s'échinent à accomplir du matin au soir, sous un soleil accablant, et pourtant nous contribuons fidèlement, dans la mesure de ce que nous devons payer, à la bonne marche de l'Organisation. Ceci pour montrer notre volonté à ceux qui contribuent à nous aider, et leur assurer que les efforts que consent leur population pour nous aider sont des efforts bénéfiques, positifs qui aident des gens à survivre. C'est pourquoi nous souscrivons et nous insistons que l'on aboutisse à un consensus sur les scénarios de croissance réelle.

CHAIRPERSON

Any other requests for the floor? I just have one NGO who wishes to make a statement.

Nils FARNERT (Observer for the International Federation of Agricultural Producers)

I am speaking on behalf of the International Federation of Agricultural Producers, IFAP. Our federation has a membership of 500 million farming families. We regret the proposed shift of resources away from Major Programme 2005, including funds for sustainable development. For capacity-building we feel that the formation of Farmers' Cooperatives and Rural Farmers' Associations is of great importance in increasing food production in the developing countries, especially in the poor ones which are so important in fighting hunger, the most important agenda item at this Conference.

The removal of funds in the budgets for the formation of farmers' cooperatives and rural farmers' associations is a severe blow to our farmers in the poorer countries.

We were pleased to hear in the Council, and also here at the Conference, concerns expressed by several countries about the reductions of plans for these purposes. The Director-General this morning, in his speech, underlined strongly the importance of farming in the poor countries for safeguarding the livelihood of their people. The proposed budget cuts which I have mentioned will not really help the poor farmers in this respect.

To finish, I would like to say that the money involved is not large, but it is critically important to follow through with the FAO commitment to people's participation in development.

CHAIRPERSON

This was the last speaker today. Let us now have a few minutes of consultation with the Secretariat to see if we can finish. Can we answer the questions or respond to the statements, or we might leave it for tomorrow morning. Mr Wade will now respond to your queries.

Tony WADE (Director, Programme, Budget and Evaluation)

On TCP: a question raised by Afghanistan concerning the increase of major programme 4.2, which deals with the TCP Coordination unit. That resulted from the review we did of TCP to try and understand why it was under-delivering its programme during these previous two biennia. Part of the problem was the approval process was too slow and so we added two posts, first of all on a temporary basis and, now, in the budget on a permanent basis to accommodate that particular problem and we believe that it is working well now.

The distinguished delegate of Colombia raised a question concerning the calculation. We will provide an explanation in Spanish to the delegate and then, if necessary, sit down and discuss it and find a solution. I do not believe it is a fundamental problem. He pointed out the difference between the fact that there was a 20 percent increase in ZRG, and this of course is true; in fact, it is slightly more than that. But, if you look at the change in the exchange rate, it has gone from .88 to 1.19, which is a 35 percent increase. So, what we are seeing is the effect of the 35 percent increase flowing on partially into ZRG.

Japan argued that no single organization can expect 20 percent and then, further went on to question the information I had provided this morning on ILO. I am delighted that Japan considers the ILO case to be ZNG. If we can have similar flexibility in dealing with FAO, we would be more than happy. The statistics that I provided this morning came from the resolutions of the ILO Conference. If I can just give you the precise figures. The fact is that, if we look at what happened to ILO, as I said to you, the Swiss franc figure went down and the American dollar figure went up and, according to the resolution, ILO's budget was approved at US\$ 529.6 million against a previous budget of US\$ 434 million, that is plus 22.2 percent. Of course I did mention that that was not the situation in Swiss francs; in Swiss francs it went the other way, in Swiss francs it went down from 768 to 709. So, I agree with you that that can be interpreted to be a ZNG budget and we have a similar situation in FAO. The same is probably true for WHO because, although I understand from the Controller of WHO that the cost increases were rejected by the World Health Assembly, and therefore ZNG was approved, they received an additional US\$ 25 million for other reasons, so that they found some way to be flexible in addressing ZNG and, as I say, I hope we can do the same in this forum.

Japan questioned whether it would be catastrophic to go for the 651.8. I do not know how we can convince people that is the case, but there would be about 740 post abolitions. There are about 340 vacancies in this Organization today, that means that about 400 people that are sitting on jobs today would have to go. I consider that fairly catastrophic.

Turning to the distinguished delegate from the United States of America, who expressed concerns about the accumulation of arrears: we too share that concern but, on the whole, it is not a major problem in FAO. I did give this information to the Council, but not everyone was represented there, so if I can very briefly indicate that, what happens from one biennium to the next, is that

yes, several Member states, quite a large number, do not pay their current annual assessments, but they do pay the ones from the biennium before. People are running about two years behind on average, in this particular group. So they do not get any further behind. There is another group who are Member States who face a particular problem in a particular moment in time because of a financial crisis or because of unstable conditions in the country. These are another type which also is a problem but usually in the end pay up when the situation stabilizes. The statistic I point you to is a four-year moving average of the percentage shortfall in the receipt of contributions, current and arrears combined together: 1 percent, 1.1, 1 percent, 1.9 percent, 0.5 percent, 0.7 percent and 0.5 percent. In other words you are seeing a very small rate of underpayment which is, in fact, attributable to the growing value of outstanding contributions, which in turn is attributable to inflation. It is not a growth in the underlying indebtedness to the Organization. So, I do not think that is necessarily a reason for deciding the level of the budget. I think it is probably inflexible to the level of the budget.

The USA suggested that exchange rate management should be incumbent on the organizations themselves: first of all I would say that that is not consistent with the decision of the Council to protect the programme of work to the maximum extent possible from exchange rate fluctuations. Second, if I may say so, I have some difficulty with the logic. Except for perhaps a very few countries, all the rest of the Members take a risk in relationship of the assessed contribution in US dollars. That risk will be reduced—I repeat, it will be reduced—by taking a split assessment approach because it means that the risk will be diversified over two currencies which have a tendency to move in opposite directions. That, therefore, means that the fluctuations in your local currency payments will decline. However, if you leave it with the Organization, it is all concentrated in the one place and you see the sort of damage it is going to do today.

It is noted that 50 percent of resources are extra-budgetary: this is correct. The only comment we have to make here, is that we have to be a little bit careful about suggesting that extra-budgetary resources replace regular programme resources. Much of the regular programme work is normative and relies on the comparative advantage of FAO as being independent and credible. If that normative work starts to be undertaken with funding from individual donors, we risk losing our comparative advantage and we risk losing the credibility in the output that we produce. In other words, do you want Codex Alimentarius standards to be paid for by one Member State? I think the answer is fairly obvious on that.

Now, the effect of exchange rate fluctuations on local currencies is important. One of the phenomena that is occurring this time is that some nation states would suffer seriously from this effect and others would not. If you look at the European Union, for example, the euro has appreciated by something like 25 percent against the dollar in the period that we were looking at, actually a bit more than that now. I looked at this a couple of days ago. That means that, if there is a 20 percent increase in the budget, European Union members will actually pay two or three percent less than they paid last biennium. This is on average of course from biennium to biennium.

Australia has a currency which has strengthened by 28.8 percent, so their interpretation of ZNG and insistence on 651.8 implies that they will reduce their contributions in local currency by close to 30 percent. I find that difficult to understand, given the circumstances that we face today.

Japan I think mentioned the fact that they could see some flexibility in the fact that the yen has, of course, appreciated between 9 and 10 percent over the last two years.

There was reference from two or three Member States to the need for budgetary discipline: FAO certainly agrees with that but there is a question of degree in all of this process. The budgetary discipline that we are referring to in FAO has meant a decline in both nominal and absolute terms over the last ten years. In the same ten-year period, Australia increased spending in terms of Australian dollars by 39 percent to 1999; Japan increased it by 35 percent to the year 2000 and the United States increased it by 33 percent. Those are all figures from your national accounts. So I really think that the imposition of budgetary discipline to the extent that it is being applied to FAO is a little bit beyond what you seem to consider to be the norm.

Finally, we are struck with the suggestion that various priorities should be protected. We heard about Fisheries, Forestry, CODEX, IPPC, Major Programme 2.5; just those alone add up to US\$ 120 million of the budget that has to be protected absolutely at any level of approval. I am sorry, we are just not facing reality in this. If you cut the budget by US\$ 150 million, everything will be hurt. It is impossible to do it any other way.

CHAIRPERSON

Thank you, Mr Wade, for the answers provided. Certainly there will be more arguments and counter arguments and we are not in a position to reach a consensus today.

I hope that all the regional groups will give the name of their representatives to the Secretariat so, that tomorrow afternoon at 14:30, we can meet in the Malaysia Room, the Friends of the Chair, to continue our discussion.

Tomorrow morning we start at 09:30 here to discuss the PER and PIR so we will be here both tomorrow morning and tomorrow afternoon. If we are able to finish with the discussion that we will start tomorrow morning, the Friends of the Chair will work alone, otherwise we will have two parallel sessions, one session working in PIR and PER and the Friends of the Chair in parallel with that to discuss their plan on the Programme of Work and Budget. I hope that we will sooner or later come to a consensus which so many delegates desire.

SECRETARY

Just briefly, while we are on this subject, I would like to read out the names of the delegations who have contacted me vis-à-vis the Friends of the Chair. If I read any name in error, I would ask you to please correct me at the end of this meeting.

The African Regional Group will be represented by Nigeria, Zimbabwe and Mali.

The Asia Regional Group will be represented by China, India and Japan.

The North American Region will be represented by the United States of America and Canada.

The South-West Pacific Region will be represented by Australia and New Zealand.

The Near East Region will be represented by Qatar, Lebanon and Egypt.

The European Regional Group will be represented by Italy, the United Kingdom and Switzerland.

I am still awaiting names of representatives from GRULAC but I expect to receive them shortly.

On a different subject, I would remind Members that Round Table Number One has just started in the King Faisal Room. Delegations of FAO Members which have not registered in Round Table Number One are able to follow the debate in the Austria Room.

I would also announce that the next General Committee meeting will not be held tomorrow morning, however, it is expected to be held on Wednesday morning at 08:30 in the Mexico Room.

Finally I have been asked to announce, by the Chairman of the Conference, that in reference to the Working Group on Split Assessments, established by the Conference on Saturday 29 November, delegates are kindly reminded of the need to submit two delegations from each region to the Conference as soon as possible.

The meeting rose at 17.45 hours

La séance est levée à 17 h 45

Se levanta la sesión a las 17.45 horas

CONFERENCE CONFÉRENCE CONFERENCIA

Thirty-second Session Trente-deuxième session 32º período de sesiones
Rome, 29 November – 9 December 2003 Rome, 29 novembre – 9 décembre 2003 Roma, 29 de noviembre – 9 de diciembre de 2003
THIRD MEETING OF COMMISSION II TROISIÈME SÉANCE DE LA COMMISSION II TERCERA SESIÓN DE LA COMISIÓN II
2 December 2003

The Third Meeting was opened at 10.25 hours
Ms Bongiwe Nomandi Njobe
Vice-Chairperson of Commission II, presiding

La troisième séance est ouverte à 10 h 25
sous la présidence de Mme Bongiwe Nomandi Njobe
Vice-président de la Commission II

Se abre la tercera sesión a las 10.25 horas
bajo la presidencia de la Sra. Bongiwe Nomandi Njobe,
Vice-Presidenta de la Comisión II

PART II - PROGRAMME AND BUDGETARY MATTERS (continued)
DEUXIÈME PARTIE – QUESTIONS RELATIVES AU PROGRAMME ET AU BUDGET
(suite)
PARTE II – CUESTIONES PROGRAMÁTICAS Y PRESUPUESTARIAS (continuación)

- 12. Programme Implementation Report 2000-2001** (C 2003/8)
12. Rapport sur l'exécution du Programme 2000-2001 (C 2003/8)
12. Informe sobre la Ejecución del Programa en 2000-2001 (C 2003/8)

CHAIRPERSON

We now have the required number of Members present and I call to order the third meeting of Commission II.

I have the honour of Chairing the proceedings today and we have specifically two items on our Agenda this morning. We shall begin with Item 12 which discusses the Programme Implementation Report 2000-2001, and after we have concluded our discussions on that we shall move to Item 13 on the Programme Evaluation Report 2003. We will commence with Item 12 on the Agenda, the Programme Implementation Report 2000-2001 which is document C 2003/8 and I would mention again the facility established in the first report of the General Committee, Document C 2003/LIM/9 of inserting statements directly into the Verbatim Records of this meeting without having to make the statement orally and by passing written statements up to the podium so I can inform the Commission of their receipt. Before inviting delegations to take the floor on this Item, I will invite Mr Boyd Haight, Chief, Office of Programme, Budget and Evaluation, to introduce the Item.

Boyd HAIGHT (FAO Staff)

The Commission has before it this morning, two complementary accountability documents: the Programme Implementation Report, which we are considering now and the Programme Evaluation Report, which we will consider later this morning. In introducing the Programme Implementation Report for your consideration, I would like to put the report in its present and future context and highlight a few main findings. In the first instance, it would be useful to recall the overall planning context in which this report is presented. In 1999, the Conference adopted the Strategic Framework which is a framework consisting of a set of documents on medium-term planning which is a programme-based document with a six-year time frame, an implementation plan in the Programme of Work and Budget in a two-year time frame and then, in a reporting context, the Programme Implementation Report and the Programme Evaluation Report.

It is important to remember that the Programme Implementation Report and the Programme Evaluation Report serve somewhat different purposes within our results-based approach to programme planning, monitoring and evaluation. The PIR, as it is currently designed, is comprehensive and covers all programmes. It is also quantitative and reports on resource utilisation and measurement of outputs produced in the timescale of one biennium – two years. Thus it is in direct response in terms of accountability reporting against the Programme of Work and Budget for the proceeding biennium in this case the biennium 2000-2001. By comparison, the Programme Evaluation Report is selective. It covers only a few programmes and thematic issues. It is also qualitative in its analysis and it attempts to look at the outcome and effectiveness of programmes covered over a much longer period of time, that is, three or four biennia. I make this comparison in order to try and get expectations about the Programme Implementation Report that is before you now at the right level.

This is the last version of the Programme Implementation Report that you will see in the current format since it reports on the PWB 2000-2001 that was formulated prior to the adoption of the Strategic Framework in 1999 and the associated results-based approach. For that reason you will notice that it does not report on strategic objectives, priority areas for inter-disciplinary action, PIREs, and the strategies to address cross-organizational issues with which you are now very

familiar from the planning documents of the subsequent biennium. In line with the comprehensive nature of this report, we have continued the practice, in this present version, of summarising key outputs in the document itself. We have also provided details on the fate of all outputs originally planned in the Programme of Work 2000 – 2001 on the FAO Website at www.fao.org/pir you will find the reference in the document itself. There you will find every output that was planned and what happened to it – whether it was produced, postponed or cancelled and any new outputs that were added to the programme.

Concerning programme implementation in the biennium 2000-2001, I think we can say that the results were good, particularly given the constraints faced. While the net budgetary result was favourable and there was a net surplus of 11.6 million US dollars, this was entirely due to savings on staff costs, partially offset by lower-than-expected income. It was fortuitous in that it allowed the Director-General to set aside an amount sufficient to cover the advance from the working capital fund, that the Conference had authorized, to cover redeployment and separation costs that resulted from the Zero Nominal Growth budget adopted for the biennium 2000-2001. On the quantitative production side we had to cancel 145 outputs out of a total 2,580 outputs and we managed to make up for more than this number through additions to the programme. In the end we delivered about 3 percent more than what was originally planned. In addition, we continued to make progress in reducing the cost of supporting the field programme. In terms of administrative and operative support, the cost fell to an all-time low of 8.4 percent of delivery, down from 14.1 percent in 1996 and 1997 and 10.6 percent in 1998 and 1999.

However, much of this improvement is due to increases in field programme delivery, particularly for emergency work which has almost doubled in the previous biennium. Several key achievements were made and they are recognized for their contribution to the international system and to development, including for IPPC, Integrated Pest Management, IMPRES, Codex, Capacity Building Relating to Multilateral Trade Negotiations, Implementation of the Code of Conduct for Responsible Fisheries and Forestry Resources Assessment. You will find these outlined in the executive summary at the beginning of the document. Finally, for the future we expect to go to the May 2004 meeting of the Programme Committee with proposals for a new form of Programme Implementation reporting, reflecting the substantial guidance that we have already received from the Governing Bodies, including the Programme Committee and the Council. We will aim to address progressively your expectations on reporting progress towards achieving the outcomes and objectives articulated in the results placed planning documents. In the first instance, measured against the medium-term plan 2002-2007 and the Programme of Work and Budget 2002-2003 and including reporting on the strategic objectives, the PIREs and the strategies to address cross-organizational issues. The Director-General looks forward to hearing comments on this Report.

CHAIRPERSON

Thank you very much for that contextualisation and overview. I would now open the floor to delegations wishing to speak on this Item. If you could indicate your desire to speak on this item, Agenda Item 12.

Richard HUGHES (United States of America)

The United States supports results-based efforts in the Organization towards incorporating all elements that provide a good business plan for FAO: what is its strategic direction, programme priorities, resources required and a user-friendly format for reporting. Regardless of how the new format evolves, we look forward to this improved process that will help to continue to design programmes that are both short term, long term, of quality, cost efficient and achieve desired objectives which can be substantive and sustainable. Members and FAO management must be given better and more complete information so that they can make decisions on whether to continue, adjust or terminate the programmes.

On programme specifics, we believe that FAO's Special Programme on Food Security (SPFS) programme, through improved project design, can help elevate the importance of sound water

practices to increase agricultural productivity and improve national and household food security. The special value of FAO in its global, multilateral scope and its overall effectiveness must be its impact on national and sub-national levels. This comprehensive planning document in whatever reporting format is instrumental in a results-based organization.

Mauro MASSONI (Italy)

I am speaking on behalf of the European Community and its fifteen Member States. The ten acceding countries to the European Union associate themselves to this statement. We welcome the Programme Implementation Report (PIR) which shows the major achievements during the biennium 2000-2001. We have noted that the format of the Programme Implementation Report follows the format of the Programme of Work and Budget 2000-2001 formulated before the adoption of the Strategic Framework. We appreciate the improvements made in a number of areas. We look forward to further improvements in the future, emerging from the enhanced programming process including the Strategic Framework and the new Medium-Term Plan. In particular we look forward to detailed reporting in future programme implementation reports on achievements on the basis of the indicators included in the Medium-Term Plan. We are glad to note that delivery has been quite satisfactory despite resource constraints. For the future we look forward to explicit reporting on the following topics: delivery of the Five Strategies to address Members' needs identified in the Strategic Framework; supporting Priority Areas for Interdisciplinary Activity (PAIAs) identified in the Medium-Term Plan; cross-organizational strategies identified in the strategic framework and the Medium-Term Plan; efficiency improvements, human resource management, effectiveness of FAO Country Representatives.

Pedro Agostinho KANGA (Angola)

D'emblée, nous approuvons les résultats obtenus par l'inscription du Programme durant la période 2000-2001. Malgré les maigres ressources qui ont été attribuées à la FAO durant le biennium 2000-2001 elle a pu réaliser les activités qui lui avaient été assignées par la Conférence. Ce rapport nous fournit des informations très utiles et nous démontre la gestion judicieuse des ressources de l'Organisation. Il est à noter et à féliciter que bien que le Programme de travail du budget 2000-2001 sur l'exécution du Programme ait été formulé avant l'adoption du cadre stratégique, de nombreux éléments de ressources modèles de programmation ont été appliqués au Programme technique du PTB 2000-2001 afin d'améliorer la planification et la présentation des programmes. Nous nous félicitons du processus de décentralisation qui consiste à transférer la responsabilité opérationnelle de projets nationaux aux bureaux des pays de la FAO. Nous nous félicitons aussi de l'expansion du Programme spécial pour la Sécurité alimentaire et nous encourageons les pays donateurs à doubler leurs contributions à ces programmes.

Abdul Razek AYAZI (Afghanistan)

PIR 2000-2001 is an informative report that focuses on the progress of implementation and we welcome the suggestion in paragraph 3 that future PIRs will cover the long term perspective of the Medium-Term Plan. Although the current PIR does not, and probably cannot, address the question of impact, we still very much appreciate selective brief narratives on the impact of 14 important activities as shown in paragraph 4 to paragraph 18. We hope such selective impact analysis will continue in future reports.

We wish to limit our observations to the following five issues:

One: the resource constraint as shown in Table 2.1. Had there not been a sharp rise in special relief operations, total expenditure would have gone down by 4.5 percent. From Table 2.1 on page 8, one can judge that in 2000-2001 in the ratio of extra-budgetary resources to the Regular Programme, expenditures improved slightly, almost one to one, compared to less than one for the biennium 1998-1999. This ratio is much higher for the technical and economic programmes of the Organization, as shown on Table 2.4 on page 15.

Two: decentralisation has caused a very sharp rise in time spent by the professional staff of the regional and sub-regional offices on technical support services to the Field Programme. This is a

welcome sign. However, the disturbing factor still remains, namely the heavy dependence of technical support services on regular programme resources. This has been the problem with the Organization for many years and yet it appears that no easy solution is in sight.

Three: the section on the implementation of outputs, paragraph 75 to paragraph 91 is extremely useful. We wish to make two suggestions for the consideration of the Secretariat in future reports. One is the separation of direct advice to Member Countries from field programme support. The nature of these two activities is radically different and it may be preferable to keep them separate. The second suggestion is the inclusion of capacity building of which training will be one, but not the only element, as it is well-known that capacity building is more than training.

Four: the sharp fall in investment generation through the activities of the Investment Centre is a cause for concern as total investment generated in 1996-97 declined from 5.4 million to 3.7 million in 2000-2001. This sharp fall was particularly noticeable with respect to the investment commitment by the World Bank. An innovative strategy is needed to rectify this situation.

Five: as should be expected, the ratio of the field to regular programme varies from a high of 12.5 percent for Programme 2.1.2 Crops to a low of 0.1 percent for Programme 2.1.5 Agricultural Applications of Isotopes and Biotechnology. Where this ratio is lowest, the corresponding ratio of technical support to delivery is bound to be high, and vice-versa. However, this phenomenon is by no means uniform among the various Programmes. For example, the ratio of field to regular programme for Programme 2.2.1 Natural Resources and Programme 2.5.6 Food Production in Support of Food Security in Low Income Food Deficit Countries are practically the same 2.5 percent, but their ratios of technical support to delivery are radically different, 7 percent and 4 percent respectively.

YUN SU CHANG (Democratic People's Republic of Korea)

I congratulate you on being elected as Vice-Chairperson at this important Commission. On behalf of my delegation, I would like to express sincere appreciation to the FAO Secretariat for the submission, to the Conference, of the excellent document made on the basis of the concrete analysis on all the activities and achievements experienced in the lessons and in the implementation of the PWB of FAO during the last biennium. As shown in the document, FAO has done a lot of work of a challenging accounting nature, including budget constraints, in both helping the sustainable agricultural development and the food production of the developing Member Nations, as well as implementing the Plan of Action for World Food Security, playing a role as leader, in Codex agencies, in food and agriculture of the United Nations system. During the last biennium, many achievements and progresses have been met by FAO through activities including: TCP, SPFC, IPPC, increasing land productivity, water control, technology research and extension, early warning and implementation system, animal health and production, fisheries and forestry management and major programmes.

My delegation congratulates and supports all the activities, successes and progresses made by FAO and highly appreciates the Director-General, as well as the staff, for all their endeavours and their work. My country is a mountainous country, the agricultural arable land is only 18% of its territory, but with this very limited arable land, we have attained and maintained sufficiency in food for the past 30 years, thanks to the correct agricultural portion into which people have put efforts. My country's natural economy, particularly the agricultural sector, has suffered, since 1995, because of continued natural calamities including floods, storms and drought. The overall agriculture production was reduced and food shortages have been temporarily faced. The Government, and the people of my country, have set an immediate target to rehabilitate and recover agriculture and food production to its former level, verified prior to the onset of natural calamities. They are vigorously carrying out new programmes and projects including: seeding improvements, expanding double crops and potato cultivations, canal constructions for irrigations, animal production for grazing and for human consumption, aquaculture, agricultural development and so on. We have overcome all the difficulties faced and many successes and progresses are being achieved in the rehabilitation and development of agriculture and food production. In this regard, I would like to mention that FAO provided valuable assistance to my country through

TCP, SPFC and the emergency projects and assistance that has helped our people in the rehabilitation of the development of agriculture. On this occasion, and on behalf of my delegation, I would like to express my sincere thanks to FAO for its assistance and the donor communities, including E.U. and the Nordic countries, for their contributions, made through FAO, for my country's agriculture rehabilitation development. My country has a lot of things to do for agriculture rehabilitation and food production. Therefore, I express our expectations that FAO, and donor communities, will continue to offer future assistance to my country.

David INGHAM (Australia)

Australia would like to thank the Secretariat for producing the Programme Implementation Report 2000-2001. Australia believes information measuring the extent to which programmes met the objectives identified, when the programmes were designed, is crucial. Australia notes that the ex-post factor reporting of achievements will undergo significant changes of scope and approach in the next PIR. Australia looks forward to these improvements as a specification of, and reporting against, measurable forms of indicators is essential for an Organization to evaluate the improvement and prioritize its programmes and lift the effectiveness and efficiency of the Organization's operations.

Ms Maryam Ahmed Mustafa MOUSSA (Egypt) (Original language Arabic)

Allow me to support the report and the activities that are carried out by the Organization according to the priorities set out. I would like to commend the report and the improvements mentioned within. As far as priorities are concerned, I would like to take note of the role of the Organization in capacity building, vis-à-vis countries that participate in trade negotiations given the vital importance of this issue in the current times. I would like to commend this role particularly in relation to developing countries that face problems in this respect, especially in terms of agricultural crops and their exchange.

KYEONG-KYU KIM (Korea, Republic of)

The Republic of Korea acknowledges and accepts the PIR 2000-2001. We see this report as very relevant and well explained. This report also already reviewed the several times in sessions, so I would like to have very brief comments just on the organizational performance. Firstly, regarding the UNDP projects expenditures, explained in Para. 22, 2nd bullet. During 2000-2001, UNDP project expenditures declined by 41% compared to its previous biennium. We expected a certain level of decline at the time, but it was much greater and sharper than our expectations. Unless there was an increase in emergency operations, the Organization would have had great difficulty in management. What is the Organization's strategy to overcome this sharp decrease in UNDP projects? The only fundamental solution for us is to recover the competitiveness the Organization used to have. Secondly, para. 26 and para. 27 regarding step cost variance and its additional allotment. Even if there were several justifications for the unexpected high level of step cost variances, I believe that the Organization was too generous or incorrect when it forecasted the costs. Probably, the relatively long vacancy period might be another important factor to explain this very positive step cost variance. Ultimately, this leads to unplanned resources allocation. I would like to hear more about additional divisional allotment in para 27, to understand the exact meaning. Para. 30 shows the share of expenditures within HQs and decentralized offices. We know that 2000-2001 biennium was a premature period to judge the decentralization stage. We expect more resources should be transferred to the decentralized offices in the next PIR. Finally, para. 33 and table 2.4 compared the ratio of field programme to programme of work. We see very wide variances there, from 0.8 to 5.4; how do you evaluate the 0.8, for example in fisheries, compared with the 2.21 ratio for last year? These are the small comments and questions which the Republic of Korea delegation would like to deliver at this Session. We send our full compliments to the Secretariat which delivered the approved PWB in a face of austerity.

Víctor Hugo MORALES MELÉNDEZ (México)

Hago uso de la palabra para dejar constancia que mi delegación se siente complacida, por el contenido de este informe sobre la Ejecución del Programa 2000-2001. El informe es pertinente, adecuado y refleja el trabajo realizado durante dicho bienio. Estamos también complacidos por el fortalecimiento dado a las actividades para la capacitación en materia de comercio agrícola internacional, creemos que la FAO debería seguir trabajando en éste propósito.

GUO HANDI (China)

First of all, I would like to express my appreciation to the Secretariat of FAO for submitting to us a high quality report. We have also the pleasure to note the fact that the 2000-2001 PIR has made a very good review and summary of the major work and implementation of the programmes of the past two years. It is of a very substantive content and, therefore, it has provided a very good reference point for the management and the members of FAO in terms of their reviewing the implementation of their programmes over the past two years. It should be pointed out that we have noted that in the past two years the SPFC was given a further boost and expansion. The number of projects and the coverage of countries also experienced an increase. The extra-budgetary resources collected also increased by a big margin, which was very good for the improvement of the situation of the developing countries, especially in those low-income deficit food countries, in terms of the improvement of their productivity and in achieving their targets identified by the WFS. In addition, we have also noted that in the period 2000-2001, TCP project numbers reverted the trend that it had experienced over the past decade. The share of TCPs for Asia and the Pacific also recovered a little bit. This was a very correct reaction to the food security situation in that area. This is a sort of satisfaction for us and I would like to take this opportunity to express my appreciation to the Director-General, and the Secretariat of FAO for the guidance, for the competence and for efforts made in achieving this programme implementation. I would like to accept this PIR.

CHAIRPERSON

That concludes the list of speakers on this item and I would like to turn back to the Secretariat to ask if there are any responses to some of the specific questions.

Tony WADE (Director, Programme, Budget and Evaluation)

Madam Chairperson, unfortunately I have to leave this meeting as I have to give a presentation. Before I do, and Mr Haight will respond to the other questions, I just want to comment a little bit about staff cost variance and Korea's remark concerning why this has happened. The difficulty we have, of course, in forecasting certain areas relates to exchange rates. Normally we talk about exchange rate US dollars and Euro, and we have a mechanism which separates out that cost and avoids effecting performance. What we don't have a mechanism for is the relationship between the US dollars and the exchange rates used by the decentralized offices. So, we are talking now about Accra (Ghana), Santiago (Chile), etc.

Therefore, when we are forecasting the staff costs of those offices, we also have to make an assumption about where those currencies will go in the following biennium and that is the difficult part. We naturally tend to be conservative and in this case we were excessively conservative - if you want to call that a mistake, you can call it one, but I don't feel we were unreasonable in our forecasting in the first instance. I just want to add one point here, in the following biennium, these favourable results are automatically self-correcting. The column of biennialization in the cost increases is in fact an adjustment to what actually happens. So, you will find that these gains do not get carried forward from one biennium to the next; they are one-time event that occur in the biennium in which they actually happen. Madam Chair, I think Mr Haight will handle the remaining questions and I apologise and ask to excuse me for a short time.

Boyd HAIGHT (FAO Staff)

I would like to thank the delegates for their very positive and supportive comments on this report and, also, for the understanding that we will be working through the Programme Committee to devise a report and meet the expectations for future reporting.

Turning to a question raised by the delegate from Afghanistan, concerning the ratio of field regular programme, apart from the various regular programmes, I believe people are referring primarily to Major Programme 2.1 where indeed there is quite a significant variation. I think what is important to understand is that in the case, for example, of programmes 2.4 and 2.5., the divisions concerned are providing technical services to field programmes other than those which they are actually responsible for, at times concerning resources that are not necessarily within the Organization, as in the case of the Joint FAO-IAEA Division, which is responsible for programme 2.4.. In this case, the IAEA provides the significant amount of field programme support to its own technical cooperation programme, then the Joint Division then provides the technical services, which is why you see extremely high ratio in that programme. On the other extreme, the programme 2.2 on crops has the largest contribution and responsibility for emergency work, but it does not have, by nature, a very large technical service component, so the ratio there relative to the field programme resources is very low. I hope this helps to understand the variation, at least that in Major Programme 2.1.

The delegate from the Republic of Korea has asked several questions concerning the utilization of resources. He notes the perceived decline in the UNDP contributions to the field programme and asked whether this could be improved or whether their contributions to FAO could be improved to competencies and effectiveness. It is also important to understand the changes and policies taking place in UNDP toward national implementation. You may recall, also, that the last session of the Finance Committee reviewed the FAO proposals and has forwarded to the Conference a change in the Basic Texts which will allow us to provide more assistance to the Unilateral Trust Funds. This may be one way for us to increase the type of assistance we provide to countries where national execution is an important part of the field programme.

Concerning Mr Wade, he already responded on staff cost variance and on how the additional allotments have been used. I am afraid I don't have the specific information here but I have one example that I know from my own experience in the Agriculture Department; additional resources were provided for animal genetic resources in order to move forward the national and regional development assessment of animal genetic resources. The opportunity was taken within the programme of work to strengthen those areas which have been identified and in which there were shortfalls of resources in the actual plan.

We have taken note of the expectation that would be reporting in perhaps the showing of a shift of resources into the regions. It is also reported elsewhere, I believe, that the Organization is looking at effective decentralization, and how we can strengthen delivery at the country level, which will also have an impact on how the technical services covered in this document are delivered and the point where they are really needed at the country level. I hope that we can indeed be able to show how this is shifted, in terms of delivering technical services, in the next implementation report. I think I will stop at this point, unless there is a question. If I have not answered all the questions I would be pleased to continue.

José Francisco GRAZIANO DA SILVA (Brazil)

The Brazilian delegation would like to comment upon, briefly and in general terms, the main issues involved in the discussions of the Program Implementation and Program Evaluation Reports.

First of all, the Brazilian Delegation allows itself to recall the Preamble of the Constitution of FAO, which declares to be purposes of this United Nations Organization:

- raising level of nutrition of the world population;
- improving the efficiency of world production; and

- bettering conditions of the rural populations.

In assigning FAO the purposes stated above, the Preamble of its Constitution expresses that the Organization's ultimate objective is to contribute "towards an expanding world economy and assure humanity's freedom from hunger".

It is noteworthy that the reference to "freedom from hunger" was only included 20 years later, through a formal amendment to the FAO Constitution.

This fact, taken alone, is proof that the most difficult task which nations and FAO face together is that of maintaining the combating of hunger as an absolute priority. Sustaining this perspective both at national and international level is a challenge *per se*.

The international commitment to freedom from hunger, which almost coincides with freedom from fear, inspired the design of the United Nations system and, in this sense, underlies the International Alliance Against Hunger reached at the *World Food Summit*.

The magnitude of Brazil's commitment to the goals set forth in the *Millennium Summit* and in the *World Food Summit* (and follow-up meeting) finds concrete reflection in the complete absorption, at national level, of the spirit which inspires them. With the implementation of the *Zero Hunger Program* and with the promotion, before the United Nations Secretary-General, of the creation of an international fund for combating hunger, Brazil considers to be giving its contribution.

Additionally, Brazil is ready and eager to collaborate with FAO's programs and activities as well as with other Developing countries bilaterally, within the realities its own domestic conditions imply.

Brazil believes that conferring absolute priority to combating hunger is not limited to optimizing the efficiency of FAO programs and expenditures: it means that programs which benefit developing countries as a whole cannot be downsized in importance and political support inside the Organization.

For this reason, Brazil views with concern the decline of the field program over past biennia. FAO field operations are extremely important to developing countries. Another crucial input to the long term development of countries which face hunger is the statistical data FAO provides.

From a budgetary point of view, Brazil underlines the Program Implementation Report's recommendation concerning decentralization at operational level. Brazil's position is in favour of regional decentralization of field program operational responsibilities which permits exchange rate advantages.

Finally, the Brazilian Delegation expresses its concern regarding paragraph 545, which reads "under program 2.5.3 support to farmers' organizations (cooperatives, producer associations and farmer groups) will be severely curtailed". The Brazilian Government places assistance to small-scale farmers and cooperatives in the forefront of national priorities. In the case of FAO, the proposal included in Program of Work and Budget 2004-05 to cut resources directed to this area does not seem reasonable and fair. In spite of its well known difficulties which we have been discussing under item 5, member states should make all efforts to enhance the work of FAO but ask the Organization to adopt further optimization of its services in order to maintain programs which provide assistance to developing countries.¹

CHAIRPERSON

I think you did cover the questions that came up and clearly the concerns and observations that you raised around these financial issues have been answered by both yourself and Mr Wade. My sense is that there is a general sense of satisfaction in the delivery and trends in delivery in the biennium reflected in this report despite the resource constraints faced by the Organization.

¹ Statement inserted in the verbatim report on request

There were various comments on suggestions to improve the quality of the information in such reports and I think the context given to us at the beginning of the presentation around the timing and the fact that we are in a transition guarantees, I am sure, that in the next reporting cycle we will start seeing a better relationship between results and outputs. There is also the time lag in terms of when we actually discuss these reports and finally, I think the quality of information in these reports and other reports and documents of the FAO is clearly critical both for member governments but also because FAO is a knowledge institution, and in the sustainment of its competitive position, one sees the value of these reports.

So, I think the fact that most of the delegates have commended the Secretariat leaves me just the option of congratulating the Secretariat on the work done.

We are now therefore in a position to forward this report and the report of this discussion on this item and the document itself to the Plenary for its adoption by Conference. I thank you for your input.

We now turn to agenda item 13 which is the Programme Evaluation report 2003 and that is document C2003/4 and I am now joined on the podium by Mr Kato, the Director of the Evaluation Service to introduce this item.

13. Programme Evaluation Report 2003 (C 2003/4)

13. Rapport d'évaluation du Programme 2003 (C 2003/4)

13. Informe sobre la Evaluación del Programa 2003 (C 2003/4)

Masa KATO (FAO Staff)

It is indeed a pleasure for me to introduce to the Conference the Programme Evaluation Report 2003. In accordance with the decision of the One Hundred and Seventeenth Session of the Council in November 1999, this report presents in a summary form those programmes and thematic evaluations considered by the Programme Committee during this biennium. Thus the report covers six independent evaluations on the following subjects: the animal health component of the 2113 Livestock Programme; desert locust component of the EMPRES Programme, Special Programme for Food Security, evaluation done by external team and Evaluation on Corporate Strategy A/3 covering FAO's work in food and agriculture emergencies; and Codex and other FAO/WHO Joint Food Standards work and Joint FAO/WHO Evaluation led by external team leader and, finally, Programme 222 Agricultural Statistic Activities in the context of FAOSTAT.

These programme and thematic evaluations form a core part of the Organization's evaluation system for which particular efforts are being made to ensure their independence and transparency. While these evaluations are carried out or managed by the Evaluation Service I would like to highlight some important trends that are emerging.

The individual topics are selected in consultation with the Programme Committee, within the framework of rolling biennial evaluation planning. Each evaluation is buttressed by considerable input of external expertise in the evaluation team; in particular, some evaluations are conducted by an external team of consultants, while others by a team led by senior external leader. Further, each evaluation is subject to review by an external peer review panel which provides a critique on the quality of the evaluation particularly on recommendations. The evaluation process is managed by the Evaluation Service and the Evaluation Report is finalized by the Evaluation Service or by an external team when that is the case. At the same time Management and programme managers concerned provide their own views on the evaluation separately in Management's response.

The Programme Committee receives, besides the Evaluation Report itself, the Report of the External Peer Review Panel and Management's response. The Committee responds to the evaluation findings and recommendations taking into account the views expressed by the External Peer Review Panel and Management. Follow-up actions taken by the Secretariat in implementing evaluation recommendations are reported to the Committee. Both the Programme Committee and the Council have welcomed the evolution of this approach seen as an important development for the sound and more independent evaluation system.

In reviewing this particular Programme Evaluation Report at its One Hundred and Twenty-fourth Session during this year, the Council expressed its appreciation of the document and the evaluation process, in particular, it welcomed the systematic use of external peer review panels and appropriate use of external expertise; the quality of the management responses to the evaluations, the institutionalization of feedback from evaluation into programming; and finally the introduction of systematic annual assessment and auto-evaluation by responsible programme managers throughout the house.

So, in conclusion, Madame Chair, I would like to draw the attention of the Conference to the fact that a full version of these evaluations, including comments of the External Peer Review Panels and Management response are available on the FAO web site.

CHAIRPERSON

Thank you very much Mr Kato for that overview and contextualization. I now open the floor to delegations wishing to speak on this item, we have before us the Sixth Programme Evaluation Report. The floor is open for delegations who wish to speak.

Richard HUGHES (United States of America)

The United States intervened on this very important process during the June Council and continues to believe that ongoing evaluation can only further improve FAO's programme management process for greater transparency and learning. There is no better tool than evaluations to confirm the validity and usefulness of FAO programmes to end world hunger and poverty. A good well-established and respected evaluation process ensures that critical resources are focused on areas of priority interest to Members. It must be cost-effective and serve internal management improvement. Evaluation is what the management an accountability tool which must be focused on results in terms of benefits to target users of FAO's services.

FAO should continue to use its comparative benchmarking against similar programmes with feedback from stakeholders. This could include questionnaires, sample surveys and other methodologies that link results to the analysis of cause and effect. FAO needs to continue to evaluate programmes and projects with respect to their usefulness, efficiency, effectiveness and impact in order to make decisions on targeting programmes or sunseting them.

Regarding programme evaluations for the forthcoming biennium, in order for the process to be effective, we agree that the number of biennial evaluation reports for the Programme Committee should not exceed four to five.

We would like to suggest that an area to be evaluated might be the PIRE on Ethics in Food and Agriculture.

In closing the United States appreciates the hard work done by Mr Wade's office and we look forward to the Programme Committee's continued involvement in guiding evaluations for the Organization. A participatory approach by all Members to improving programme delivery is critical to FAO's mandate.

Anton KOHLER (Suisse)

La Suisse remercie le Secrétariat pour l'excellent rapport sur l'évaluation du Programme. Nous apprécions la nouvelle approche adoptée, qui consiste à évaluer les programmes de la FAO par rapport aux objectifs stratégiques de l'Organisation, ainsi que le choix des sujets retenus. Nous avons entre nos mains un document qui, de par son examen critique, non seulement de l'utilisation des ressources mais aussi de l'impact des programmes évalués, est un instrument de planification et de gestion utile et pertinent.

La Suisse est consciente qu'une évaluation de haute qualité, surtout si elle repose sur des évaluations externes, requiert des ressources financières et personnelles adéquates. L'investissement, dont l'évaluation est nécessaire, est justifiée car il est compensé par un gain d'efficience à long terme. Le rapport coût-efficacité de l'évaluation devra être examiné constamment et les domaines et thèmes à évaluer choisis avec soin. Nos commentaires

spécifiques portent sur trois éléments suivants: EMPRES, la mise en œuvre de l'objectif stratégique A3 et le Programme spécial pour la sécurité alimentaire.

La Suisse attache une grande importance aux deux composantes du Programme EMPRES. Nous nous félicitons que l'évaluation se soit portée sur ce domaine et notons avec satisfaction que les recommandations formulées au cours de l'évaluation aient été prises en considération dans le Programme de travail et budget 2004-2005. Nous saluons également la pertinence et la qualité de l'évaluation du Programme spécial pour la sécurité alimentaire riche en informations, en critiques constructives et en recommandations quant à de possibles nouvelles pistes pour améliorer l'impact de ce programme.

L'intention de la Direction de privilégier l'évaluation de la viabilité économique et l'impact direct de ces programmes sur la sécurité alimentaires des ménages, la plus grande mobilisation des compétences techniques de l'Organisation, ainsi qu'une meilleure intégration des aspects liés à l'environnement, nous semblent des pistes prometteuses pour l'avenir de ce programme. Nous suivons avec intérêt le travail de la FAO dans la mise en œuvre des quatre composantes de la stratégie A3 de la FAO. Premièrement, plan d'intervention et alerte rapide en cas de catastrophes; deuxièmement, secours à l'agriculture; troisièmement, passage de la phase de secours à celle de la reconstitution et de développement; quatrièmement, renforcement de la résistance aux épreuves.

La Suisse reconnaît les avantages comparatifs de la FAO dans les domaines de l'information sur l'alimentation et l'agriculture. Nous notons les recommandations retenues dans l'évaluation encourageant la FAO à faciliter dans une plus grande mesure la transition dans les opérations d'urgence et les actions de développement, de mettre en place des outils plus performants et de renforcer les partenariats.

Dans ce contexte, nous soulignons l'importance d'une approche coordonnée entre les différentes agences spécialisées et programmes des Nations Unies en tenant compte des montants respectifs et des avantages comparatifs de chaque organisation. Nous sommes d'accord avec le Comité du Programme que les opérations d'urgences devraient être intégrées dans les autres activités de la FAO.

Pour conclure, Madame la Présidente, nous aimerions souligner que la Suisse est favorable à un rôle et à un fonctionnement indépendant du service d'évaluation, et c'est avec grand intérêt que nous attendons le prochain rapport annoncé sur ce sujet.

Abdul Razek AYAZI (Afghanistan)

We have before us an impressive and rich document. It is a very useful report providing the synthesis of six major independent evaluations. We congratulate the Secretariat for presenting their main findings and recommendations in a clear and concise manner. Two evaluations were conducted by independent evaluation teams, namely, that of the Special Programme on Food Security and the Codex and other FAO/WHO Food Standards Work. The other four evaluations were carried out by the staff of the Evaluation Service with assistance from outside consultants. Four evaluations had External Peer Review Panels. The Management responded to all evaluation reports and each report went through the scrutiny of the Programme Committee. Moreover, the Secretariat is expected to report in future on the follow-up of the recommendations. This is indeed a very healthy sign.

We welcome these impressive evaluations and applaud the methodology adhered to in each evaluation report. We urge the continuation of this process in the future under the overall guidance of the Programme Committee. This would, of course, require additional funding for the Evaluation Service.

These independent evaluations share some common findings that need to be underscored. These findings are: (i) most of the programmes evaluated have been under-funded and extra-budgetary resources have not been very good; (ii) harmonization within the Secretariat and with outside stakeholders is still a problem; (iii) stress on capacity-building is not evidenced in most of these evaluations and in some cases the question of follow-up for sustainability is also doubted.

Regarding some recommendations there has been a difference of opinion between the Evaluation Team and the Peer Review Panel. For example, in the case of Animal Health component of Programme 2.1.3 the Evaluation Report recommends the folding of the Veterinary Service Group into EMPRES while the external Review Panel recommends its present status and its strengthening. Slight differences of opinion underscore the independence of the evaluation process in the Organization and provide the Management with alternative courses of action. We think this is a healthy process.

We do not wish to comment on each evaluation, however, the evaluation of Programme 2.2.2 Food and Agricultural Information brings out some finding that cause concern and we wish to highlight some of them.

Paragraph 285 in the report refers to the decline in Regular Programme resources for the three statistical units in FAO, namely, ESS, FIDI and FONS.

Paragraph 289 refers to the weakness in the statistical institution in Africa and other developing countries leading to inflated estimates, incomplete series and gaps in essential statistics.

In paragraph 324 the External Review Panel calls on FAO and I quote: "to regain the lead role in development of agricultural statistics in the world" unquote.

The Evaluation Report and the External Review Panel call for additional resources for Programme 2.2.2. However, in the PWB 2004-2005, there has been a budget cut of 6 percent under the Real Growth scenario and a cut of 11 percent cut under the Zero Real Growth scenario. Moreover, the ratio of Trust Fund to Regular Programme resources for Programme 2.2.2 is one of the lowest among the Technical Programmes, 18 cents for each Dollar of the Regular Programme.

CHAIRPERSON

Thank you very much for your comments. I am sure that we cannot conclude that the outcomes of this evaluation are not being taken into account in the final decisions that the Conference will make on the budget but your comments are noted. We now invite the delegate from Malaysia to take the floor.

Dato'Annas KHATIB JAAFAR (Malaysia)

To begin with, my delegation would like to congratulate you on your election as Vice-Chairperson and co-Chairperson of this Committee this morning. My delegation would also like to commend the Evaluation Service of FAO for having successfully undertaken the evaluation of the Programme and Evaluation Report 2003. In fact, we always welcome the high quality evaluation report which is independent, transparent, thorough and objective, providing balanced and constructive decisions as well as clear and useful recommendations.

We would like to draw the special attention of the Commission to the evaluation of two important issues, namely: Codex Alimentarius and the FAO/WHO efforts on food standards and its relation to the food programme and secondly, the agriculture information activities related to agricultural statistics in the context of FAOSTAT. Our appreciation goes to FAO and WHO for having ensured excellent work in the evaluation of these efforts. The evaluation was timely indeed in view of the improving importance of Codex, the WTO and the improving worldwide conviction of the importance of facility as a global issue.

We also welcome the findings of the Evaluation Team and fully agree with the main areas of improvement in order to enhance Codex work, increase inclusiveness of developing countries in the standards development process, the relevance of product standards amongst its Members and a more effective capacity building for development of national control systems.

Malaysia has no problem in supporting the general thrust, in particular, capacity-building in developing countries for protection of the consumers - important to ensure the effective participation of developing countries in the Codex process (consumers help in food safety which is to be the first priority in the Codex standards setting); setting up annual sessions of the Codex Alimentarius Commission; improving the existing process of achieving consensus; the

consideration of all relevant concerns, especially those of developing countries, and the strengthening of scientific support for product decisions including the provision of scientific advice and support to scientific risk assessment. While we support the general thrust, we have some misgivings on the development of a revised mandate, i.e., the establishment of an executive board to replace an existing executive committee and the establishment of the standard management committee. However, we are happy to note that the Product Alimentarius Commission and both FAO and WHO management teams have already put in motion a programme of work to further consult with Members and to move forward in developing strategies and implementing the agreement trust of the Evaluation recommendations.

With regard to the current evaluation of activities related to agriculture statistics in the context of FAOSTAT, the Malaysian delegation welcomes the Evaluation Report that elicits the services of FAO and shares the opinions of both the Review Panel and management that this report is objective, balanced, well-organized and comprehensive. We have never had any doubt that the collection, analysis, interpretation and dissemination of food and agriculture data represent a co-element of FAO's mandate. Governments, especially those of developing countries, need credible, timely, reliable, and as accurate as possible data. Information from which systems can be developed to formulate food and agriculture strategies as well as plans to combat poverty and hunger. We believe that the Review has successfully assessed the relevance of FAO statistical activities, the performance in meeting user needs and identifying key issues affecting their performances.

We also found the key findings of the Review to be particularly accurate with regard to the low national statistical skill capacities of developing countries in trying to improve their mission information systems, the data reporting responsibilities, and the quality of data reporting. In general, we agree that the Commission has proposed vital review. We also support the recommendation of FAO to explore and undertake measures to improve the statistical capabilities of developing countries thus enabling their national statistical systems to reach and maintain acceptable statistical standards. In this regard, the proposal to strengthen relations with Member Country experts, to include regional training programme modules in agriculture statistics, to reduce the reporting burden and to facilitate and promote improved collection matter will not only improve country participation in providing data and data exchange but also improve the quality of the data reporting.

Finally, we have no difficulty with the recommendation to create an international advisory panel of experts to consider, amongst others, data needs and analytical approaches; recommend strategies, as well as assist in identifying priority areas. We also express our full support to FAOSTAT2 and especially to countries there.

Michihiro TAMURA (Japan)

My delegation highly commends this report for its conciseness and its usefulness for the purpose of the effectiveness and efficiency of FAO activities. We believe that variations are quite important for FAO activities and that on various occasions we have requested objective variations. In this regard, we support a variation of activities, and are pleased to have this report. However, it is unfortunate that options to be implemented within the current budgetary level are not presented from the viewpoint of the budgetary discipline. My delegation would like to strongly support the Director-General's request in the foreword, that options submitted are to be implemented within existing resources. Madame Chair, while we fully support the recommendations and the report written by the Evaluation Team, we would like to stress the importance of ownership for the governments of developing countries in development activities as mentioned in our Ministers' statement yesterday and also ask FAO to renew its efforts to foster national ownership and to ensure the sufficient progress of all the projects.

Mauro MASSONI (Italy)

I am speaking on behalf of the European Community and its 15 Member States. The ten acceding countries to the EU associate themselves to this statement. We consider the Programme Evaluation Report 2003, endorsed at the June Council Session, an essential part of the new programming cycle. As we stated in June, we welcome in particular the inclusion of the Programme Evaluation Report of the Programme Committee remarks and recommendations.

The EU appreciates the fact that FAO has made significant progress over the last years in strengthening the evaluation systems of the Organization. As stated in the Director-General's foreword, FAO is improving annual monitoring and assessment by programme managers and introducing systematic auto-evaluation of all programme identities. We welcome this development, as it is a significant step towards results-based management.

We favour a transparent evaluation process, whereby management in its response clearly indicates in what way it will implement the recommendations of the evaluation report. This should be the basis of a dialogue with membership aiming at continuous improvement of FAO's programmes and sharpening of strategic objectives and focus.

With reference to the implementation of recommendations regarding Thematic Evaluation of Strategic Objective A3, we concur with the Programme Committee in welcoming the enhanced cooperation between FAO, WFP, and IFAD as well as the catalytic role played by the Evaluation in promoting interdisciplinary activities.

As stated in previous occasions, we are in favour of a more independent positioning and functioning of the Evaluation Service within the Secretariat. Nonetheless, we welcome, as a further step towards a more independent evaluation function within FAO, the Secretariat's proposals to enhance the independent role of the Programme Budget and Evaluation Service (PBEE) within its current structure. Once again we wish to emphasize the importance of an adequate budget for the conduct of major independent evaluations under any budget scenario. We are looking forward to proposals to increase the Programme Committee's involvement in the appointment process of the Chief of the Evaluation Service.

GUO HANDI (China) (Original language Chinese)

The Programme Evaluation Report for 2003 has looked at the six main aspects of FAO activities in some depth. It provides constructive recommendations and conclusions which will allow us to improve future activities within the Organization. For each of the topics evaluated, we look at the evaluation group done by the external experts, we get the feedback from the Directors of FAO but also the Programme Committee report. There is a very clear analysis here and we think this is a good exercise and this should be continued. We are very pleased to see that a positive evaluation has been done on the Special Programme for Food Security and this reflects the results which have been attained by beneficiaries of that programme. This shows that there is a lot of potential in that programme for global world food security and this is something which should be continued so that we could make a real contribution to world security worldwide. Finally, we hope that with regard to emergency aid and development aid, FAO will take account of the specific needs of countries and will do this by providing emergency aid as well as concentrate its efforts on development aid.

Ms Mary Margaret MUCHADA (Zimbabwe)

I join the other Members who have congratulated the Secretariat for the useful evaluations that have been tabled before us this morning. We see a lot of work has gone into it, but we are happy that the outcome has underscored the role that has been played by FAO and the usefulness of the programmes to the recipients. We are appreciative that in doing the evaluation, feedback was obtained and we are able to know how these programmes are impacting on the beneficiaries. Areas requiring further attention have been clearly articulated and we do hope that in the new biennium that we are entering, we would be able to address the challenges highlighted and we

would continue to encourage more participation, because it is only through participatory engagement that the element of ownership, which some delegates have referred to, would be cultivated. We hope that most of this feedback, which has already been articulated in the Budget proposals by the Secretariat, will be meaningfully reflected when it comes to the provision of the resources. We've seen the advantages that have been achieved in the SPFS Programme, in EMPRES, and at the same time we've also seen the challenges that still need to be addressed, and we do hope that this should be able to assist FAO and the partners to redirect their attention to the core issues that have been raised as the challenges still requiring our attention in the particular programmes concerned. We see that there's a lot of potential in producing food and the evaluation has clearly demonstrated this.

The review has also underscored the FAO's relevance in statistical collection, and the storage and distribution, and we would like to see this improved. As you have heard from my region in Africa, this still appears a challenge and we are down on record as having requested capacity building in this particular area in order to improve our data collection, distribution and storage thereof, and that maybe even the process of capacity building in Africa should be encouraged to commence on a participatory basis, so that we would have the ownership and be able to get our farmers to contribute in this data collection, in the data generation process. What is certain from the evaluation is that most programmes are underfunded, and I do hope that we would be able to take into consideration this element. The harmonisation element, we continue to encourage that this be attended to in the other programmes so that we do not waste our resources unnecessarily. We also feel this gives us a starting point, but on the way forward, I think we share the views that we may need to continue consulting as we shape the follow-up mechanism. Let's view this as a starting point, but let's continue to improve the mortalities of the work of the Evaluation Team, and not just rush to the decision without proper consultation on that aspect.

José A. QUINTERO (Cuba)

La delegación cubana desea transmitir su agradecimiento a la Secretaría por el Informe que nos ha distribuido sobre la evaluación del Programa. Apreciamos el reforzamiento del sistema de evaluación para garantizar un uso más eficiente de los recursos de la Organización, así como de aquellos fondos extrapresupuestarios. Consideramos también de suma importancia el nuevo enfoque centrado en la población, aplicado a las actividades del Programa de Seguridad Alimentaria. Creemos que es altamente positiva la iniciativa de evaluar cada vez más las labores con los objetivos estratégicos de la Organización planteados en el Marco Estratégico 2000-2015, sólo de esa forma podremos garantizar el cumplimiento de dichos objetivos. La delegación cubana desea instar a la FAO a continuar profundizando en conjunto con los Estados Miembros, los métodos de evaluación, adoptando las recomendaciones que se proponen en dicho informe, sobre todo en lo que se refiere a la creación de capacidades, así como el desafío que la FAO tiene que enfrentar ante los aumentos de costos del sistema de evaluación.

Víctor Hugo MORALES MELÉNDEZ (México)

Como lo han hecho otras delegaciones, aprecio el informe sobre la evaluación del Programa 2003, somos de la opinión que se trata de un buen documento por lo tanto apoyamos su aprobación. Con este texto la FAO cuenta con un instrumento de planeación y de gestión adecuado y útil. También deseamos reconocer los esfuerzos realizados por la FAO para fortalecer y transparentar la función de evaluación. Confiamos en que continúe manteniendo dichos esfuerzos. Con respecto a la evaluación del PESA (Programa Especial de Seguridad Alimentaria), estamos convencidos que es un excelente programa, consideramos que esta evaluación refleja las fortalezas del mismo pero también identifica los campos para mejorarla. Pedimos que se consideren y se tomen las medidas necesarias para continuar su fortalecimiento. En cuanto a las actividades sobre el terreno, las cuales son muy importantes, pensamos que su eficacia se fortalecerá si se continúan incrementando las coordinaciones con las otras agencias de Naciones Unidas con sede en esta ciudad. El Consejo en su 125 período de sesiones revisó el tema sobre la ubicación del Servicio de Evaluación en la estructura organizativa de la FAO. Sobre este tema mi Delegación considera que debe fortalecerse el carácter independiente de este Servicio el cual le dará aun más objetividad e

imparcialidad. Confiamos en que todos los acuerdos alcanzados la semana pasada por el Consejo serán atendidos puntualmente.

Ahmad AL-KHALAF (Kuwait) (Original language Arabic)

First of all, I should like to thank the Secretariat for the efforts in producing this good document, my thanks go also to Mr Kato for the excellent presentation he made on this programme report on the evaluation for the 2003 Budget. My country does support the sound, positive and excellent trend adopted by this organization in evaluating its own programmes, more particularly the external evaluation process, since it does have an excellent and positive impact on the objectivity of this evaluation process. We single out here the six programmes which are contained in the document.

I should like to focus on the Animal Health Programme and the Desert Locust Programme in addition to the EMPRESS Programme. I should also like to place special emphasis on the Food Security Programme and the Codex Alimentarius for the food standards and cooperation with the WHO. Undoubtedly these programmes do have a great deal of importance, particularly as far as the developing countries are concerned. The evaluation process, as referred to here in the document under discussion, although these activities do cost a great deal to the organization, nevertheless they are far more important since they do have a positive impact on the effectiveness of the organization, because in the final analysis this would lead to the cost effectiveness of the activities and would secure the best possible way of using the financial resources. The cooperation between FAO and other agencies within the UN, like the OIE and the WHO, has importance in terms of cutting the cost of certain activities, and in terms of the efficiency. Furthermore, we believe that these activities should be promoted because they do have a positive bearing on the collection of statistics and this, in the final analysis, will improve the effectiveness of the programmes. The promotion of Statistics activities and raising the efficiency of the Statistics unit will have a positive impact and will help the organization tread down the sound path. We do believe that this organization should continue down this path, but nevertheless, it should not have a negative bearing on the budget of this organization.

Masa KATO (FAO Staff)

I first would like to thank the Members who have spoken, expressing appreciation for these documents and the actual evaluation that underlies the report. It has been hard work but a pleasant one for us to be able to work closely with the Programme Committee, and it is really an important fact that the committee has been maintaining very important dialogue, providing us with suggestions, and sometimes directions, on how we can move forward. So we really look forward to the continued constructive working relationship with the Programme Committee. Also, many of the suggestions and comments made here are very much in line with our thinking of how to improve further the relevance and cost effectiveness of evaluation in the Organization, so we'll take these suggestions with a great need to further reinforce independence, transparency, sharpen the analytical content of the evaluation linked to more strategic issues of the programme planning and implementation, including issues of priority and comparative strengths of FAO in the area where we are involved. I must say also that such issues as priorities, comparative strengths of FAO, are rather difficult subjects to tackle. We do need to work more broadly in relation to sharper definition of how to implement the strategic framework in particular areas and how to translate these into medium term planning processes. So it is one of the reasons why we feel it's important that the evaluation at this stage maintains a very close relationship with the unit responsible for programme planning and work in the house. We've been working very closely within the division, so we'll continue along these lines to strengthen the dialogue between planning part, programming part and evaluation feedback.

If I may just respond to a few specific points raised, the US delegate gave us some interesting suggestions. We appreciate that it would be wise to limit the number of evaluations we conduct each biennium. This biennium has been pretty ambitious in the workload, so we have, as you see, 6 evaluations as presented here. I think it's more likely next biennium we'll be aiming for about 4, maybe maximum 5. But this is a subject that we have continuous dialogue with the programme

committee, within a 2 year rolling plan each year we discuss what item we should bring forth for each year, and so adjustments are made along the way. So we will take this into account, and also the suggestion of evaluating PIREs. At the moment we have not included in the evaluation plan, but some of the PIREs linked to the themes, such as things related to strategic objectives on protection of vulnerable fragile eco system, such evaluation will look at PIREs as part of FAO's work in this area. So we will be looking at them, certainly PIREs will be included in the auto-evaluation which is now being introduced in the house. Also, the US delegate mentioned the need to get a broader range of partners on FAO's work, and as you may have observed, we have already incorporated in our evaluation process the questionnaire surveys of Member Countries as well as important international partners including UN agencies, some bilateral as well as suitable. So we will continue to do this and we appreciate very much that you've plugged this issue.

Several speakers also mentioned the importance of the independent role of the evaluation unit or service, and we agree with that, and as these speakers mentioned, this topic has been this year discussed with both the programme committee and the finance committee, so we will keep the dialogue and certainly we will be reporting to, in the first instance, the programme committee, on the follow-up to several of the measures that have been agreed and suggested by the two committees.

If I may, I would just like to respond to the related element, and that is, as I think Delegates from Cuba mentioned, rising costs of the evaluation. It is a fact that as we try to conduct more in-depth, thorough evaluations, particularly with the greater participation of external experts, costs will rise. Such evaluations, as externally done evaluation for the Special Programme Food Security costs in the range of half a million dollars. Similar figures also apply for the joint evaluation we did on Codex with WHO, so it is in the context of shrinking resources overall for the Organization. It is a consideration how many we do, how far and what way, we are aware of that, the cost implications of evaluations, so some of the evaluation work we are trying to shift to auto-evaluation, which is basically self evaluation by programme managers. Hopefully it will cut the cost per evaluation, also make evaluation more efficient and effective in terms of learning and ownership of the evaluation results by the programme managers themselves, but this also means in terms of staff costs. An in-depth, even self-evaluation, a programme review, has important implications, particularly in staff costs. As we have been neglecting such critical review by the programme managers, we have to make a lot of investment in the beginning. So I'm saying this only to flag to you some of the implications of strengthening evaluation. I'm not saying its not worth it, it's our job, we like to do that, but we also have to be realistic and certainly cost effective. I think we spent something like less than 1 percent of the budget of the Organization in evaluation and what we have been able to achieve by our effort in collaboration with our colleagues has been reasonable.

I hope I have answered all the questions If there are any additional queries, I shall be happy to respond.

CHAIRPERSON

I think that the comments you make about the relationship between the cost of the evaluations and the value for the organization underpin the importance that we as Members, individually and collectively, give to the outputs of these evaluations, and what we do about follow-up, because its often not so much the act of performing an evaluation that's important, what's more important is whether or not there's an internalisation or an engagement with the outcomes and the comments that come from the evaluators. And I think that there are a lot of very important things that seem to emerge. I sensed, putting my country cap on for a moment, the attention paid and the interesting link between the SPFS programme and the agricultural statistics, and perhaps if we comprehensively address the responses to those, we might get a much better picture of what the global food security situation really is, because we tend to have projections about growing trends in countries that themselves don't have statistics that are verifiable around the trends, so we might be doing something very good and we don't know it, or we might actually be having a much worse situation.

I thought that the linkages between some of the themes that we evaluated were very useful in this particular context, and I'm sure as Members we all want to focus our energies on making sure that we improve our capacity as a collective to really achieve the millennium development goals, because 2015 is only 11 years from now. Really within our lifetime. I also thought that there were a lot of very positive comments, broadly about the evaluation process, a lot of satisfaction, and particularly very clear comments around the methodology, but obviously the methodology being used has supported the range of elements that it incorporates - issues of quality, external participation, independence. The feedback and engagement mechanisms seem to be warmly welcomed by the Members, but clearly again evaluation is only a process of ongoing improvement of the Organization. I'm sure as we go into the next phase of the evaluations, we will also be able to improve on the methodology.

Members and Honourable Delegates, that brings us to the end of the discussion on this item, that is Agenda Item 13, which was a discussion of the Programme Evaluation Report 2003, in the thematic areas that were referred to in most of your inputs. The report of this discussion, as well as the Evaluation Report itself, will be submitted to Plenary for adoption and I want to thank you all for your participation.

The meeting rose at 12.10 hours

La séance est levée à 12 h 10

Se levanta la sesión a las 12.10 horas

CONFERENCE CONFÉRENCE CONFERENCIA

<p>Thirty-second Session Trente-deuxième session 32º período de sesiones</p>
<p>Rome, 29 November – 9 December 2003 Rome, 29 novembre – 9 décembre 2003 Roma, 29 de noviembre – 9 de diciembre de 2003</p>
<p>FOURTH MEETING OF COMMISSION II QUATRIÈME SÉANCE DE LA COMMISSION II CUARTA SESIÓN DE LA COMISIÓN II</p>
<p>4 December 2003</p>

The Fourth Meeting was opened at 21.25 hours
Mr Mohammad Saeid Noori-Naeini
Chairperson of Commission II, presiding

La quatrième séance est ouverte à 21 h 25
sous la présidence de M Mohammad Saeid Noori-Naeini,
Président de la Commission II

Se abre la cuarta sesión a las 21.25 horas
bajo la presidencia del Sr Mohammad Saeid Noori-Naeini,
Presidente de la Comisión II

**ADOPTION OF REPORT
ADOPTION DU RAPPORT
APROBACIÓN DEL INFORME**

CHAIRMAN

Excellencies, ladies and gentlemen, thank you and welcome to the meeting. This session of Commission II aims to endorse the report of the Commission. You have the report before you. I have to emphasize that this report is not a complete report of the Commission. We still have one item under consideration, which is the level of the budget. The Chair is still working on that part of the report which we hope will be adopted tomorrow. Tonight we are considering the rest of the report which has gone through the Drafting Committee. I would like to sincerely thank Mr Romiti, Chairperson of the Drafting Committee for the excellent work done, as well as all the members of the Drafting Committee II.

In order to go through this report, I would ask the Chairman of the Drafting Committee, to kindly present the report.

Marco ROMITI (Chairperson, Drafting Committee)

I too would also like to thank all of the Drafting Committee members for the constructive contributions given during the preparation of this report, now submitted to you. I would also like to thank the Secretariat for the very good documents provided. The objective is to reach a report accepted by all the members of the Drafting Committee of Commission II and we think that this reflects the debate which took place here in this Commission. For this reason, Mr Chairman, I hope this report will be adopted *en bloc* by the distinguished delegates of Commission II. The report is on the PWB, the PIR and Evaluation Report.

CHAIRPERSON

Thank you, Chairman of the Drafting Committee for Commission II. You have in front of you two reports, C 2003/2/REP/1 and 2003/2/REP/2. I will start with the request of the Chairperson of the Drafting Committee on the first part: REP/1. Do we agree with his proposal to endorse this report *en bloc*?

**DRAFT REPORT OF COMMISSION II (C 2003/II/REP/1 - Paragraphs 9-13)
PROJET DE RAPPORT DE LA COMMISSION II (C 2003/II/REP/1 - Paragraphes 9-13)
PROYECTO DE INFORME DE LA COMISIÓN II (C 2003/II/REP/1 - Párrafos 9-13)**

Mme Maria-Theresa LAZARO (Brazil)

Je ne reconnais pas une position intermédiaire qui a été présentée lors des discussions qui sont référées concernant le budget. Je souhaiterais voir inclus dans le rapport un paragraphe entre le paragraphe 10 et le paragraphe 11, qui exprime la position qui a été exprimée d'une certaine flexibilité dans l'examen de solutions alternatives à un scénario plus restrictif. J'ai un brouillon de texte en anglais que je pourrai vous présenter pour qu'il soit dûment incorporé au rapport.

CHAIRPERSON

Thank you, distinguished representative of Brazil. I think the whole Plenary should be aware of this proposal and they should endorse it. May I ask you, please, to read it at dictation speed so that the interpreters can interpret it into the different languages and then receive the reaction of the Plenary.

Ms Maria-Theresa LAZARO (Brazil)

Some delegations referred to the financial and budgetary constraints to which their economies were submitted but expressed nonetheless, their readiness to be flexible in the examination of the alternative scenarios.

Concerning the Programme of Work and Budget proposals for the 2004-2005 biennium, in spite of well known budgetary constraints and a very serious and strict fiscal policy in Brazil, my delegation was instructed to be flexible up to a certain amount. In accordance with those instructions, Brazil may accept a consensual level of appropriations around ZNG calculated in US and Euro, that is to say an amount something around US\$ 767.3 million plus medical expenses and security, making a sum total of US\$ 785.3 million.

CHAIRPERSON

The proposal is clear. They want the position which has been talked about during the discussions to be reflected in the report. Do I have agreement on inclusion of this sentence to this report? I see no opposite views, it is therefore decided. Apart from that, are you ready to endorse the whole of REP/I? Thank you very much.

Paragraphs 9 to 13, as amended, approved.

Les paragraphes 9 à 13, ainsi amendés, sont approuvés.

Los párrafos 9 a 13, así enmendados, son aprobados.

Draft Report of Commission II, Part I, as amended, approved.

Le projet de rapport de la Commission II, Partie I, ainsi amendé, est approuvé.

El proyecto de informe de la Comisión II, Parte I, así enmendado, es aprobado.

DRAFT REPORT OF COMMISSION II (C 2003/II/REP/2)

PROJET DE RAPPORT DE LA COMMISSION II (C 2003/II/REP/2)

PROYECTO DE INFORME DE LA COMISIÓN II (C 2003/II/REP/2)

CHAIRPERSON

We will now move on to the second part of the report: C 2003/II/REP/2 and again, the Chairperson of the Drafting Committee has requested you to adopt this report *en bloc*. Do I have your endorsement? Thank you very much. It is so decided.

Draft Report of Commission II, Part II, was approved.

Le projet de rapport de la Commission II, Partie II, est approuvé.

El proyecto de informe de la Comisión II, Parte II, es aprobado.

CHAIRPERSON

Are there any other requests from the Floor? Thank you very much for coming to this meeting so late at night and doing a great job, I think this appreciation is being expressed for to the excellent work done by the Drafting Committee.

I now invite the members of the Friends of the Chair group to go to the Lebanon Room in a few minutes where we can reconvene our discussions on the remaining issue of the PWB, which is the level of the budget. I will see you there, and for the rest of you, we will meet tomorrow in Plenary. I wish you all a pleasant evening.

The meeting rose at 21.35 hours

La séance est levée à 21 h 35

Se levanta la sesión a las 21.35 horas