

**27th Session
of the Conference**

*Statement by
Mr Edouard Saouma
Director-General
of the
Food and Agriculture Organization
of the United Nations*



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*Mr Chairman,
Your Excellencies,
Ladies and Gentlemen,*

The Conference of FAO, the world's agricultural summit, meets every two years. Two years is not a long time and, in many respects, our last meeting seems as if it took place only yesterday. Since then, so many events and changes have taken place at such a staggering speed that we might sometimes feel that we are no longer living in the same century.

THE STATE OF THE WORLD: PROBLEM AREAS...

Bewilderment can so easily turn into despondency. We find it hard to grasp and to analyse what is happening, and we are afraid of being overwhelmed by a tide of events that we can no longer control. This may well be due to the media and their emphasis on visual impact, but the fact remains that it is the tragic side of events that first catches our attention. And, sad to say, we are living in an age that produces one tragedy after another.

The most lethal of these tragedies are the wars that are being waged both within and between countries, some of which are overplayed by the media while others are totally ignored. For the last two years, these wars have sown death and destruction, bringing suffering and misery to millions: the Persian Gulf conflict; the wholesale slaughter in former Yugoslavia, where the impotence of the international community is clearly revealed; Somalia, where even humanitarian aid can lose its way and lead to bloodshed; fighting in the Caucasian regions of the former Soviet empire – Armenia, Azerbaijan and Georgia – with ethnic and religious communities pitted one against the other; Haiti, which has to cope with so many difficulties, as if its dire poverty were not enough. This list is already too long without adding the conflicts that are left to smoulder or that are continually flaring up in Cambodia, Angola, Mozambique, Liberia and elsewhere.

Nor is the state of the world economy any more reassuring. The industrialized countries are bogged down in recession, companies are closing down one after the other, unemployment is rife and more and more families are sinking below the poverty line; the social fabric is unravelling while crime and drug abuse soar. In the East European countries, the old order may have been overturned but nothing has yet taken its place. Hopes had been pinned on a smooth transition to the

market economy, yet chaos reigns supreme. Industrial and agricultural production are in a state of utter confusion, the supply system has broken down, poverty and hunger are gaining ground, and anarchy and crime are spreading unchecked. And what of the Third World? With the falling prices of its raw material exports, poverty is spreading as the Third World sinks deeper into debt. The few "new dragons" that are prospering are the exception that proves the rule. Where structural adjustment has been vigorously applied, it is the poor that have had to pay the cost. The ranks of the poor are swelling in Latin America, and Africa's situation seems to be disastrous.

It used to be said that the rich get richer and the poor get poorer. This is no longer true: the poor are still getting poorer, but the rich are now less affluent than they were.

Everyone is struggling for survival, with every man for himself and never mind about the generations to come. Undeclared labour, tax evasion and a lack of respect for others are matched by the ruthless competition, dumping and fierce protectionism practised by the affluent countries which wage trade wars with callous indifference. As the threat of a nuclear holocaust finally seems to be behind us, the former socialist countries are indiscriminately selling off vast quantities of weaponry. To meet their heavy energy demands, they continue to operate obsolete

nuclear power stations, which could explode at any time, and go on running factories that are sources of severe pollution. The Third World continues to react to poverty with a spiralling rate of population growth. The remark made by Josué de Castro 40 years ago, that the bed of poverty is fertile, is truer today than ever. And all this is devastating our natural resources and leading to migration on an unprecedented scale. Numbers of often undocumented immigrants from South to North are now being swollen by waves of migration from East to West. At the same time, every possible expedient is being used: drug trafficking and other forms of illicit trade.

...AND REASON FOR HOPE

Are we witnessing the death throes of a civilization? We must be careful not to succumb to despair, for there is still the odd glimmer of hope despite, and sometimes amid, these tragedies. Now that Eritrea has attained nationhood, peace seems to be returning to Ethiopia. Peace and racial equality are also being resolutely pursued by South Africa – and I take this opportunity to pay tribute to the country's two great leaders who have just been awarded the Nobel Peace Prize for their efforts. In Latin America, dialogue and democracy are beginning to take the place of armed insurrection. Finally, hopes for peaceful coexistence no longer

appear to be a mirage in the Near East, which has been through half a century of untold suffering.

In the economic field, despite the difficulties and even the sufferings of so many families, several countries in Asia and Latin America are striding ahead, pushing down inflation and gradually pulling out of depression and debt.

As far as FAO is concerned, the remarkable increase in agricultural production in so many countries has brought them back from the brink. Bangladesh is now self-sufficient in wheat and rice, Viet Nam has become an exporting country and, if peace can be restored, Cambodia can be expected to emerge.

We know that human violence is capable of reducing whole populations to famine and that food aid is one of the priorities of humanitarian relief. Yet, despite all the suffering in these places, and however duty-bound we are to bring relief, we must bear in mind that nowhere in the world are people suffering from famine as a result of natural disasters and that, on the whole, the food and nutrition situation is somewhat less worrying than it used to be.

UNCED AND THE ICN

The most outstanding and encouraging events that have occurred since your last session have certainly been the two major international

meetings held in 1992. I am, of course, referring to the Earth Summit, or rather the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in June last year, and the International Conference on Nutrition (ICN), organized jointly by FAO and the World Health Organization and held in Rome, in this very hall, last December.

I will not go into the details of what took place at those two world gatherings; many of you played an active part in one or the other, the press and the media in general reported them widely, and you have received full reports and documentation. All I would like to do here is refer to the enormously wide-ranging international instruments that were adopted.

Agenda 21, produced by the Rio Conference, is a charter for the sustainable development and conservation of the environment. I am pleased to recall that the core proposals regarding agriculture, forestry and fisheries are the same as those set out in the conclusions of the Den Bosch Conference on Agriculture and the Environment, which we organized jointly with the Netherlands. It was on the basis of these same conclusions that, in 1991, you decided to launch the International Cooperative Programme Framework for Sustainable Agriculture and Rural Development.

As you know, the ICN adopted the World Declaration on Nutrition and the Plan of Action for Nutrition which laid down the main nutrition objectives as well as the action required to attain them. I would simply

mention their distinct intersectoral and multidisciplinary character. In addition to measures for raising food production, improving distribution channels and preventing nutrition-deficiency diseases, the Declaration and the Plan of Action urge governments to review their policies in such varied fields as employment and incomes, housing, education, public amenities and services, while leaving considerable room for people's participation and the fight against poverty.

The objectives and strategies laid down by UNCED and the ICN are therefore not only interlinked but are also related to the many stances taken up over the years by the international community. Foremost in my mind are the major texts adopted by the World Conference on Agrarian Reform and Rural Development and the World Fisheries Conference, the World Food Security Compact, the Tropical Forests Action Programme, and the codes of conduct for which we have taken the initiative in such areas as pesticides and plant germplasm. Thanks to the diversity of their subject matter, these texts all converge towards one single purpose: fostering humanity's total self-fulfilment in harmony with nature.

PRICES OF RAW MATERIALS

This very broad outline forms the backdrop for this 27th session of the Conference of FAO. Our Organization cannot act directly on many of

the issues that I have just mentioned, but they constitute its working environment and help determine the direction of its policies. I would like to cite only one example here: the issue of raw material prices, which is certainly one of the best yardsticks by which to gauge the state of health of a poor country. These prices have been falling in real terms for several decades now but, over the past ten years, they have fallen even in current dollar terms: by about one-half for coffee, over one-third for cocoa, and about one-quarter for tea and cotton. As I have just said, these are reductions in current prices, but the slump is even steeper if we allow for inflation. Furthermore, over the same period, the prices of the commodities imported by most of the Third World countries have doubled, even though the purchasing power of their exports only amounts to a small fraction of what it used to be ten or 15 years ago. How can any economy survive such a drastic reduction in its terms of trade?

FAO by itself can do nothing about prices for raw materials, particularly for tropical products, which depend entirely on market forces – on the law of the strongest, in other words. Everyone knows that the producer countries are very poorly placed and that their plight is made all the more precarious by their difficulties and their indebtedness, so they really have no say in the matter. This does not mean, however, that FAO is not doing everything it can to try to redress this dangerous and

inequitable state of affairs: for instance, it tries to raise the awareness of governments and world public opinion to the need for an international system of stable and remunerative pricing; it produces thoroughly researched surveys on agricultural commodity prices and trade; it plays its part in drafting commodity agreements and getting them implemented; and it backstops UNCTAD and GATT on all agriculture-related issues in negotiations conducted under their aegis.

PROGRAMME OF WORK AND BUDGET 1994-95

It is inevitable that major world events and dominant economic trends should leave their mark on the policy thrusts that you are to debate and, above all, on the Programme of Work and Budget which will determine the Organization's activities over the next two years as well as the direction these activities will subsequently take under the Programme's natural extension, the Medium-Term Plan.

Let me say at once that the Programme of Work and Budget for 1994-95 is a compromise – a compromise between constraints and needs, between what is necessary and what is feasible.

The needs...

These needs, which are already immense, are growing and will continue to grow. First, because of population growth: even if we only look ahead

to the next 25 years, we can expect the world's population to increase by three billion people, who will not only have to be fed by doubling world food production but will also have to be provided with housing, welfare, education and employment. Three billion people who, in full respect of their human dignity, will have to be assured a decent standard of living and the chance to contribute fully to the advancement of society. And this will naturally have to be done without causing irreversible damage to the environment while also conserving the resource base.

It is not only the mounting number of mouths to feed that increases needs. There is also the need to guarantee food security and improve levels of nutrition; to upgrade institutions and infrastructures; to work towards the establishment of a more equitable economic order; to combat individual and national poverty; to help developing countries to shake off the burden of their debts and to embark on the path to progress; to contribute towards the economic and agricultural reorganization in the countries that have been destabilized by the collapse of the Soviet system; and to ensure the long-term protection of our natural environment – the land, water, sea and atmosphere, as well as the abundance and diversity of the biological species that live in them.

The Organization's priorities are always determined on the basis of the guidelines that are set by its consultative bodies – the technical committees, the regional conferences, the Council – and are of course

governed by circumstances. The Programme of Work and Budget that I have submitted for 1994-95 carries the hallmark of UNCED and the ICN, but it has also been influenced by other past and future events, such as the Conference on Responsible Fishing that was organized by Mexico with our assistance, and the forthcoming international technical conference for the conservation and utilization of plant genetic resources.

I do not need to mention that our programmes have for some time held nutrition and environment to be priority concerns. The mission entrusted to us in the follow-up to the Rio Conference and the ICN sheds new light on these topics and highlights their relevance to all our activities. Everything is interwoven, and the lines of action that emerged from these world assemblies have determined our choice of priorities in all technical and economic spheres.

This adds yet another dimension to the needs that I have just mentioned. Just trying to form an idea of the resources needed to implement the principles and strategies formulated at the two conferences is enough to make one's head spin. We have estimated that the full implementation of the policies and measures contained in Agenda 21 would require some \$120 000 million a year. We have not dared to calculate the cost of implementing all the recommendations made at the ICN.

But are such costs really beyond the means of human society? It is certainly an impressive amount, \$120 000 million, but in actual fact it

barely represents one-tenth of the annual world expenditure on arms during the 1980s. If we have managed to come up with this kind of money to ensure our defence or to safeguard our positions of strength by building weapons that are capable of destroying the entire planet, is it really asking too much to envisage allocating a fraction of this amount to the cause of universal human progress?

...and the constraints

Therefore, even though the financial cost would not appear to be prohibitive for a society that was genuinely aware of what was at stake, the possibility of meeting all the needs that I have just mentioned depends on a series of such difficult conditions that trying to fulfil them becomes something of a gamble. At the level of food production alone, we need to double output while using less land, safeguarding the environment and conserving the resource base. This is very much like trying to square the circle. We will need technologies that have yet to be invented and that will have to be used rationally by both the large agricultural industries and hundreds of millions of poorly educated small farmers. We will have to avoid cultivating marginal lands that soon become depleted and will have to work with a smaller land base because of urban and industrial development and the construction of housing, social amenities and transportation infrastructure. We will also have to solve the

problems of soil erosion, salinization, water management and preharvest as well as postharvest losses, while avoiding unsound agricultural practices and the potential pitfalls of biotechnology and input utilization.

The immense task at hand parallels FAO's colossal responsibility in helping developing countries to feed themselves, but the fulfilment of this responsibility is fraught with acute constraints. As with all the international organizations, FAO finds itself in a budgetary squeeze that has tightened increasingly since 1986. The great impetus that moved governments to adopt Agenda 21 and the ICN's World Declaration and Plan of Action has so far lacked the steam to prod them into releasing the funds needed to carry out those activities that fall within our mandate and that are expected of us. There is nothing that pegs our responsibilities to the means made available to us; in fact, the gap between the necessary and the feasible grows ever wider.

Under such conditions, the preparation of the Programme of Work and Budget called for keen balancing skills. How were we to reconcile such conflicting demands? Within the framework of an austerity budget and without additional extrabudgetary resources, how were we to provide the follow-up required for UNCED and the ICN while maintaining our core activities? Our difficulties were further compounded by the new arrangements that had been introduced for our

field operations, which meant that we had to transfer a significant number of posts previously funded through support costs to our regular budget.

Zero growth budget

Against my will, I resigned myself to a budget with no net growth on the previous biennium. Yet, this does not make me a disciple of zero growth; on the contrary, I remain convinced that the greater demands placed on us warrant a net increase in budget, particularly as we are going to have to cater for an additional ten Member Nations. My decision, however, was determined by several factors: first, my concern not to place too great a financial burden on the poorer countries which are already having trouble paying their assessed quotas; second, the wish not to bequeath to my successor a difficult situation with the risk of provoking, as in 1991, a discrepancy between the cost of the approved programme and the level of credits opened; and finally, the desire to avoid, at all costs, setting off a budget conflict that would split the Conference at such an important session, during which the budget, in my opinion, must be adopted unanimously rather than by consensus. I think it is important that the new Director-General should start off with the unanimous support of the Member Nations. If we look back to the Conference's unanimous decision in 1975, when a new Director-General was taking

office, to endorse a budget that represented 50 percent growth, is it really asking too much today for it to give its unanimous approval to a zero growth budget?

Reinforcements...

In spite of this budgetary standstill – which is in fact tantamount to a step backwards – we have tried very hard to come up with a Programme of Work and Budget that will cover the most pressing needs that emerged from the two major conferences of 1992. Within our regrettably limited means, we have reinforced many of the programmes and subprogrammes featured in Chapter 2 of Agenda 21, which defines our technical and economic activities, so that they can focus more sharply on sustainable agricultural and rural development, land and water conservation and the protection of plant, animal and marine resources. Similarly, our follow-up activities for the ICN extend beyond the Food Policy and Nutrition Division to include other units involved in food security, marketing and policy advice, for example.

...and reductions

If we are to step up certain activities without adding to the overall budget, we will have to find the money elsewhere, which means

introducing cuts and cancellations. There are those who feel that we could reduce our administrative costs, trim staff numbers and eliminate some of our programmes, which they consider to be too numerous. I would entreat these detractors to look a little more closely at the real situation.

Since I took office, we have always curbed administrative and support costs, to the point in fact where several Member Nations have more than once expressed their concern that we might be taking things too far. I am proud to have made large savings in our running costs which we have then been able to reallocate to our substantive activities, but the obvious outcome is that we no longer have funds to transfer from the administrative and support sectors to the technical programmes; in fact, we are going to have to increase our spending slightly in these sectors merely to maintain the same level of efficiency.

When I hear talk of trimming staff numbers, I wonder where the excess is to be found. Whereas staff costs accounted for over three-quarters of the budget in 1974-75, they now absorb barely half. Despite the increase in activities and the introduction of FAO Country Offices, there are now fewer professional posts than in 1975 and, what is more, many of these posts have remained empty for years, either because of insufficient funding or because we have been unable to find high-calibre applicants who are willing to work under the terms that we offer.

Some people claim that we have too many programmes, but I have yet to hear of a single programme that is considered to be superfluous. All our programmes are closely screened by the technical committees, the Programme Committee, the Finance Committee, the Council and indeed by the Conference itself, and all have been approved. Nevertheless, in my original proposals for 1994-95 I had envisaged making cuts in certain programmes, namely forestry, fisheries and the TCP. This caused such an outcry that not only did we have to revert to our original allocations, but we even had to suggest making net increases.

To find the money needed, we very reluctantly had to reduce our appropriations to other technical and economic programmes and, in particular, to draw maximum benefit from the personnel savings that were made possible by computerization; we have also reduced the sums allocated to the FAO Representatives and the Regional Offices. More than anything else, however, because of the changes made in the arrangements for our cooperation with financial institutions – notably the World Bank – we have proposed a large cut in funds for investment activities and, primarily, for our Investment Support Programme.

As you know, the World Bank suddenly decided to change the terms of our cooperation. It no longer wants to commit itself in advance to a certain number of projects or to finance some of our staffing costs;

instead, it wants to work on an item-by-item basis which will make our operational planning extremely difficult. Talks are now being held on these arrangements which will not take effect until June 1994. I am obliged to pass on this problem unresolved to my successor who will have to take it up with the Programme and the Finance Committees. Although I have allowed for this recent development in my budget proposals, I am totally against it, as it will eventually lead to a reduction in the activities of our Investment Centre which, each year, has managed to mobilize hundreds of millions of dollars in the cause of agricultural and rural development.

I also regret not having been able to allocate larger sums to staff training at a time when rapid advances in science and technology would justify extensive training and retraining. If we consider that some companies willingly set aside up to 5 percent of their total budget for training, the sums that we can allocate are decidedly pitiful.

A programme that is necessary...

Whatever the case, my proposals have been endorsed by the Programme Committee, the Finance Committee and the Council, although the question of funding has not yet been settled to everyone's satisfaction. The Programme of Work and Budget will be reviewed by Commission II

before being submitted for your final adoption. I strongly recommend it for your approval, as I consider it to be necessary and closely linked to the strategies defined by UNCED and the ICN and, therefore, part and parcel of the vital effort required to ensure humanity's survival. Every aspect is important and any trace of waste has been eliminated. For one last time, may I call on the trust that you have shown me on so many occasions in the past and ask for your unanimous approval of the proposals that have been put before you and which are so important for FAO's future?

...but flexible

The Programme of Work and Budget is not rigidly defined; it has sufficient flexibility to absorb any changes that might be needed because of unforeseen problems or Member Nations' needs. My successor will not find himself with his hands tied; instead, he will enjoy a degree of freedom in the direction of an organization that is at the forefront of the United Nations system, not only because food is the first of humanity's needs but also because food and the environment concern all of the earth's inhabitants, and because 80 percent of these inhabitants, those living in the Third World, have a vital interest in what we do concerning agricultural production and trade, food security and rural development.

PERSONNEL

I know that, to implement this Programme, I am leaving my successor a powerful and highly experienced team that has all the necessary programming and administrative skills, coupled with strong analytical and technical capabilities. It has achieved so much in the past and will continue to do so in the future. Perhaps the best example of its ability to meet even the most urgent and unexpected demands has been its success in combating the New World screwworm and the most recent invasion of the desert locust. It has amply demonstrated its undeniable competence in its work on sustainable agriculture and development, which proved so useful at the Den Bosch and Rio de Janeiro conferences, as well as in its decisive contribution to the ICN.

ACCOMMODATION AND EQUIPMENT

As I prepare to relinquish my post, I am pleased and proud to know that this team now has the accommodations and equipment that are worthy of its mission. Set in the heart of what is certainly one of the most beautiful urban settings in the world, FAO is now accommodated in a single complex of buildings, with the possibility of adding another building which should more than cover our needs for the next 20 to 25 years. We are indebted to our host country for having so generously provided these

facilities, which the President of the Italian Republic has paid us the great honour of inaugurating. I know that the Conference will want to endorse the words of gratitude that I have already addressed to him on behalf of the Organization.

We are also equipped with state-of-the-art computer and office automation facilities. A sophisticated communications system links all staff by phone and electronic mail. Dozens of data banks are on line to provide almost instant access to information whose retrieval used to take up so much valuable time. Here again I wish to thank the Italian Government for its substantial aid in procuring and installing the necessary hardware. The operating networks were developed thanks to the unrelenting efforts of my late colleague, Milan Trkulja, who worked so devotedly on them up to the time of his premature death. I should like to pay tribute to the memory of this distinguished servant of the international community, who chaired the Programme Committee for eight years before joining the Secretariat.

CONCLUSION

So, as you can see, FAO is ready materially and morally to take up the challenges of the twenty-first century. All that I have said today – and everything that I have tried to do over the past 18 years – demonstrates

my acute awareness of the magnitude of these challenges and of their vital importance for the harmonious development, indeed for the very survival, of the human race.

This being so, the work of this session seems to me to be even more important than usual, if that were possible. Under the enlightened guidance of your Chairman, I sincerely wish this world agricultural summit every success in a climate of dialogue, mutual understanding and trust, so that it will fulfil the expectations of rural people throughout the world and, indeed, of all the inhabitants of our old – but ever young – planet.

Thank you.

(Original language: French)