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联合国  
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Food  
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Organización  
de las  
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Unidas  
para la  
Agricultura  
y la  
Alimentación

# CONFERENCE

## Thirty-fourth Session

Rome, 17-24 November 2007

### STATEMENT OF THE DIRECTOR-GENERAL TO THE THIRTY-FOURTH SESSION OF THE CONFERENCE OF FAO

*Mr Chairman of the Conference,*

*Mr Independent Chairman of the Council,*

*Excellencies,*

*Ladies and Gentlemen,*

The presence of so many high-ranking delegates, including many ministers – all of whom I warmly welcome – confirms your commitment towards FAO and also the importance of the issues that the Conference will be debating during these next days.

I should like to extend a special welcome to the Delegation of the Russian Federation, which joined FAO in April 2006 and is attending the Conference for the first time as a full Member. I also welcome the Republic of Montenegro and the Principality of Andorra as new Members of FAO, and the Faroe Islands as Associate Member.

This Conference is one of the most important since FAO was founded 62 years ago. During the course of this week you will be making decisions that will have a profound impact on the future of the Organization.

Those decisions will be made in a new agricultural context on the world stage. In the last two years agriculture has returned to the international agenda.

The World Bank's report for 2008 is significant in this regard. For the first time in a quarter of a century, its report is devoted to agriculture for development. The World Bank states: "*The world of agriculture has changed radically. It is time to place agriculture afresh at the centre of development, taking account of the vastly different context of opportunities and challenges that has emerged*".

The centrality of agriculture in development is, of course, the message that FAO has been sending to the international community for many years. I am happy to see that the credibility of that message has now been recognized.

The media and public opinion are focusing increasingly on the economic, social and political causes and consequences of rising food prices, but also on food safety and on transboundary pests and diseases. There is a new awakening to the role of agriculture in the global economy, in the health of populations and in the security of nations.

Agriculture will play a determining role in the more difficult issues that face humanity at the beginning of this 21st century. Whether these be climate change, energy supply, depletion of natural resources or movement of populations, agriculture will be both a cause of the problem and a part of the solution.

In addition, in 2050, the world will have to feed a population of 9 billion inhabitants, which is 50 percent more than today. That will require a second green revolution capable of doubling food production in the first half of this century.

That is why I have proposed to convene two high-level conferences in 2008 which will give the international community an opportunity to determine corresponding policies and strategies, on the basis of scientific and technical information compiled by committees of experts.

Regarding climate change, the Intergovernmental Panel on Climate Change (IPCC) clearly indicated in its assessment published this year that global warming and extreme weather events will fall disproportionately on the poorest regions of the world. The cyclone that has just hit Bangladesh and caused thousands of victims is unfortunately a dramatic example and I should like, if I may, to express to the Representatives of Bangladesh on behalf of all those present our heartfelt support and deepest sympathy. (Minute of silence)

Because of climate change, in sub-Saharan Africa, for example, yields from rainfed agriculture could fall by 50 percent by 2020. Mitigating these impacts will depend on the development of more resistant crop varieties and on investments in irrigation, storage facilities, transportation and communications. An enabling environment for more equitable international trade will be fundamental.

As for bioenergy, we need to be fully aware of the potential risks to food security of converting food crops into fuel. But we also need to look at the new income opportunities that bioenergy offers farmers. Strategic policies and decisions in this area need to be based on careful analysis of the agricultural situation in the countries concerned and of their land and water resources.

The high-level conference on climate change and bioenergy should pave the way for an international bioenergy charter that simultaneously considers the requirements of food security, agricultural sustainability and environmental protection but also the need to ensure that many of the benefits from this new rapidly growing market reach the poor.

That conference will provide an opportunity to look more closely at the linkages that exist between climate change and transboundary pests and diseases. The effects of climate change coupled with the greater movement of people, livestock and goods driven by globalization favour the geographical spread of viruses that pose new threats to human health.

Already, in recent years, FAO has played a lead role, in partnership with the OIE and WHO, in combating avian influenza, which is one of the most destructive and terrifying animal diseases to have emerged in recent decades. Since 2003, this disease has affected 60 countries and millions of domestic fowl. With FAO's assistance, more than 130 countries have been able to adopt appropriate protection measures. The Organization has raised more than US\$150 million to combat the disease which, so far, has failed to mutate into the human pandemic that we feared. But there is no room for complacency. The threat remains very real and requires closer vigilance and continuing efforts. FAO has thus created a Rome-based Crisis Management Centre that provides immediate response to any outbreaks of animal, plant or food-related diseases.

An organization such as FAO needs to have the capacity for immediate response but also the ability to take a proactive and forward-looking approach. That approach should be based on an awareness and analysis of factors that are poorly understood and more or less random and others that are more predictable, but all of which will all have an impact on the future food security of humanity; factors such as population growth, technological advance, dynamics of ecosystems, market forces and, indeed, the ethical purpose of human relations. These are all issues for a broader debate on "Feeding the World in 2050", which is the theme of the second high-level conference that I propose to convene in the autumn of 2008.

That conference will cover the major trends that we can already see: comparative population change in rich and poor countries, the physical distribution of population with conurbations fed by accelerated urbanization, massive migration and emigration spurred by unacceptable disparities of income, new production, processing and marketing structures, and international markets that are increasingly integrated horizontally and vertically.

There are of course other important issues and developments that FAO will need to look at. Official development assistance should increase following the commitments of Monterrey and the different G8 summits. The financial landscape is changing dramatically with the emergence of new modes of financing, new sources of investment of the private sector and assistance from civil society. The emergence of regional economic communities and the refocusing of priorities of bilateral and multilateral development funding institutions also require strategic adjustments on the part of FAO and of its role within the United Nations system, itself under reform, so that the Organization can fulfil its mandate and contribute effectively to the achievement of the Millennium Development Goals. FAO therefore needs to be put in a position where it can rise to those challenges and be able to meet people's demands and expectations.

At the 33<sup>rd</sup> Session of the Conference in 2005 and the 131<sup>st</sup> Session of the Council in November 2006, you already intimated the need for change. A new organizational structure was therefore put in place from 1 January 2007. This restructuring of Headquarters was accompanied by a process of decentralization that saw the creation of subregional offices in Africa, Central America and Central Asia, the relocation of the Regional Office for Europe to Budapest and the opening of a Shared Services Centre divided into three hubs, located in Budapest, Santiago and Bangkok and expected to yield efficiency savings of some US\$8 million per biennium.

These changes respond to the need for a more effective FAO that is more present in the field and closer to its target populations. But the changes also reflect the need to have the scientific capacity to examine the thematic strands that make up the broad food and agriculture issues, thus providing the foundations for major international debate by Member Nations on the achievement of sustainable development.

FAO is therefore more present to ensure the protection of biodiversity and to play a key role on issues relating to the International Treaty on Plant Genetic Resources, which has now been ratified by 116 countries, and the Global Plan of Action for Animal Genetic Resources, which was adopted by 119 countries last September in Interlaken.

Another example of FAO's presence in key issues is its action in favour of urban and periurban agriculture. For the first time in the history of humanity, there are now more people living in towns and cities than in the countryside. By 2050, 150 new cities the size of New York will be created. FAO has already implemented an ambitious food-for-cities programme aimed at helping poor urban populations grow their own food, notably in Latin America and Africa.

Lastly, FAO's Technical Cooperation Programme (TCP), which remains its main vehicle for providing direct technical assistance to Member Nations saw total project delivery worth US\$46 million up until the end of October for 2006-07. In line with the reform approved by the Council in November 2005, the decentralized offices now play a significant role in the management of TCP resources and the FAO Representatives have the authority to approve TCP projects up to US\$200 000 per biennium.

*Mr Chairman of the Conference,  
Mr Independent Chairman of the Council,  
Excellencies,  
Ladies and Gentlemen,*

FAO has changed during the course of these last two years and we will now be reaping the benefits of that change. But with all the new challenges that FAO needs to face to eliminate hunger in the world, we will have to redouble our efforts. And that is where the report of the Independent External Evaluation provides FAO with a great opportunity. The report should serve as a basis for Member Nations to take decisions that correspond to the magnitude of what is at stake.

The evaluation team worked for 18 months to prepare a 402-page document that has 109 recommendations and more than 300 concrete measures.

It recommends that the Member Nations and the Secretariat engage in a significant programme of reform and that the budget be raised to provide the Organization with the necessary means to implement that programme. In other words the evaluation team calls for reform with growth.

*According to the report, "FAO continues to fulfil roles and furnish a range of essential goods and services that no other organization can. There are continuously emerging challenges that only a global organization with the mandate and experience of FAO can address with legitimacy and authority".*

Elsewhere, the report also notes that if the steps suggested and the recommendations made in the report were applied, FAO would set a new standard of excellence for multilateral organizations.

Some of the criticisms of the Independent External Evaluation (IEE) – which are only to be expected in a document of this nature – concern structural and organizational problems that are common to the United Nations system as a whole.

Other criticisms are due to the zero growth policy that has been applied by certain countries to the United Nations system and to the Regular Programme budget during the last seven biennia. The regular budget fell by 22 percent in real terms between 1994-95 and 2006-07. During that period, the UNDP ceased to play its initial function of principal funding mechanism for technical cooperation within the United Nations system. Its share of FAO's extrabudgetary resources dropped from 31.3 percent in 1994-95 to 2.5 percent in 2004-05. The situation obliged the Organization to abolish 1686 posts between 1994 and 2005. Those reductions in personnel have had an obvious impact on staff morale.

I should like however to emphasize that extrabudgetary funding, which is by nature voluntary, has achieved a record one billion dollars during this biennium. I should therefore like to express our gratitude to the Member Nations who entrust increasingly higher amounts to the Organization through trust funds. This increase in voluntary contributions testifies to the confidence that donors have in the Organization. But the inadequacy of resources for the Regular Programme makes it difficult to sustainably strengthen FAO's operating capacity.

In its in-principle response to the evaluation report, which was drawn up after numerous consultations with personnel at Headquarters and in the decentralized offices, Management gave a clear positive signal of its commitment to follow through diligently and loyally on all the recommendations of the report that were approved by the governing bodies. Management welcomes the opportunity for FAO to be the first United Nations institution to be able to engage

in strategic debate on its future, at a time when the General Assembly in New York is initiating the intergovernmental process of negotiation on the conclusions of the High-Level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment", relating to reform of the United Nations. I obviously hope that we will be able to maintain the balance of the recommendations made, by having the necessary financial means to implement the proposed reforms.

The Programme of Work and Budget (PWB) that will be discussed by the Conference was completed before the publication of the IEE report and, as was requested by the Council at its session in June, presents additional information on a "maintenance budget" according to the priorities recognized and expressed by the Membership.

On the financial side, it factors the anticipated cost increases and other incremental requirements to maintain the purchasing power of FAO's programmes at 2006-07 levels. The proposals that are made to deal with the need for financial balances, cash flow and reserves of the Organization are on the other hand very modest following the recommendations of the Council committees.

As regards the substance, the PWB focuses on work in four key multidisciplinary areas: exchange of knowledge, development of capacity, climate change and bioenergy. It also lays the groundwork for a more integrated presentation of Regular Programme and extrabudgetary resources, as you requested.

The maintenance budget envisages – at the same budget rate of exchange – a provision for cost increases of US\$101.4 million and incremental requirements of US\$18.7 million that had been reported to, or endorsed by, Members for implementation in 2008-09. These relate to unavoidable expenditure needs such as the introduction of International Public Sector Accounting Standards (IPSAS), the costs of transition for the reforms that have already been approved and the gradual introduction of Russian as an FAO language. Following the guidance of the Council, a minimum additional requirement of US\$37.3 million is proposed as a first step towards restoring the financial health of the Organization.

The adoption of a maintenance budget for the next biennium would allow FAO to move from negative growth to zero real growth. Subsequently, as the IEE specifies, "the will for change by stakeholders and the need to support change with adequate resources should go hand in hand and both underpin the Immediate Action Plan". This process should start with discussions in the committee charged with preparing the special session of the Conference in 2008.

But already the IEE suggests that the Conference invites the Members to provide extrabudgetary support to implement the reforms under the Immediate Action Plan and to specify the modalities and timing for those reforms. If the Immediate Action Plan will help us rapidly raise the level of confidence between the Secretariat and the Member Nations, then I am clearly in favour. And regarding my obligation to ensure an equitable geographical distribution of FAO personnel, under the terms set by the Conference in 2003, I should like the Member Nations to clarify this matter so that its implementation modalities are quite clear.

In concluding, I should like to recall the IEE's assertion that "if FAO were to disappear tomorrow, much of it would need to be reinvented".

Like you, I believe that nothing can replace our institution, especially at a time when we need to confront the new challenges of food security.

In its 2008 report, the World Bank speaks of a *new agriculture*. For my part, I should like to see that new agriculture aligned with a *new FAO*. From us, that will require imagination, dedication, determination, mutual trust and hard work. You may rest assured of my personal commitment and that of the personnel of FAO to that process of renewal.

Thank you.