



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## CONFERENCE

### Thirty-fifth (Special) Session

Rome, 18-22 November 2008

### Statement of the Director-General

*Mr Chairman of the Conference,*

*Mr Independent Chairman of the Council,*

*Distinguished Ministers,*

*Excellencies,*

*Ladies and Gentlemen,*

This special session of the Conference has been convened to accelerate implementation of the decisions taken by the Member Nations on the recommendations of the Independent External Evaluation of FAO.

#### ***(FAO reform)***

The Member Nations, management and staff of FAO share the vision of a world that is free from hunger and malnutrition. Food and agriculture must contribute to improving the living standards of all people, particularly the poorest, and to ensuring sustainable economic development.

In an ever more difficult economic and climatic context, FAO must therefore adapt if it is to meet the expectations of its Member Nations. For that we must build a "new FAO". That requires dedication, determination, goodwill, mutual trust and hard work from all of us.

FAO benefited greatly from an in-depth independent evaluation of its governance, its programmes and priorities, and of its systems of management, its administration and its organizational structure. That work was carried out under the oversight of its Governing Bodies and with direct funding from the Member Nations.

As the Evaluation states, the world is continuously confronted by “*emerging challenges that only a global organization with the mandate and experience of FAO can address with legitimacy and authority*”. We must today redouble our efforts to address the challenges that lie before us.

I am grateful to the member countries for their exceptional commitment to the production of the report of the Conference Committee. I should like to thank in particular the Chairman of the Conference Committee, Mr Noori-Naeini, and the Vice-Chairpersons, Mrs Van Arden and Mr Ngirwa. They have successfully guided this difficult process that has required 90 formal meetings this year. I should like to salute the untiring efforts of the chairs, co-chairs and vice-chairs of the working groups. Finally, I should like to thank you all, Representatives of the Member Nations, for all this work undertaken in harmony. What you have achieved is unique in the history of the United Nations and I am proud that FAO can thus become a reference on the path to excellence.

These intensive efforts this year have led to the drafting of an Immediate Plan of Action (IPA). This represents an ambitious road map for FAO renewal. This plan sets out a vision of FAO, its priorities and its programmes. It defines its governance and its administrative procedures. It invokes culture change and organizational restructuring. The FAO staff participated actively throughout the process. I should like to thank all those within the Secretariat whose efforts and perseverance have helped us reach this positive outcome.

Immediately following the release of the IEE report, I took measures to implement those recommendations that were within my competence. Delegations of authority were introduced into administrative management at Headquarters and in the decentralized offices and procedures were simplified. Another step was to secure efficiency savings of 22 million US dollars in the Programme of Work and Budget (PWB) for 2008-2009, in compliance with the conclusions of the last Conference. I also undertook to reduce by one-third in 2008, 2009 and 2010, the number of permanent Director-level posts, of which there were 120 at the beginning of January 2008. In the framework of *Reform with Growth*, the bulk of the savings resulting from this streamlining will be ploughed back into the technical programmes. Finally, in response to the emphasis placed on the psychological aspects, a team comprising staff from all levels, both at Headquarters and in the regions, was charged with promoting culture change.

After this special session of the Conference, we shall have to resolutely engage in the implementation of the Immediate Plan of Action in 2009, 2010 and 2011. I am certain that during this period we will be able to better focus our strategic objectives and better target our priorities and programmes. I am convinced that the Plan will also produce better governance and control by the Member Nations, thus ensuring transparency in the functioning of the Organization and mutual understanding.

In addition, the Plan calls for a sweeping overhaul of the way FAO works, in particular through reform of its financial procedures, reorganization of its structures at Headquarters and in the decentralized offices. It will entail changes in hierarchies and in human resources management. The year 2009 will be devoted to the preparatory work for the execution of activities in the following biennium. In addition, the final report of the detailed review currently being undertaken by external consultants is due for completion in the first half of 2009.

The Evaluation recalled that one of the main obstacles to successful reform is often in the “*mismatch between available resources and over-ambitious goals*”.

Implementation of the Immediate Plan of Action will require investment in the spheres of governance, human resources, administrative procedures, management and programming, both at FAO Headquarters and in the decentralized offices. The funds required to implement changes in 2009 amount to 21.8 million US dollars. We must therefore avoid losing time. Actions need to be initiated as soon as this Conference is over. I hope that the Member Nations will demonstrate their political will and their firm support for this reform by making the necessary voluntary contributions available as rapidly as possible. No one must doubt the scale of the task ahead.

To that end, a trust fund has been set up to receive the extrabudgetary contributions that are essential for implementation of the Immediate Plan of Action in 2009.

I should like to assure you of my personal commitment and that of all FAO staff to implement the envisaged changes and to support the *Reform with Growth* that you have decided.

*Excellencies,*

*Ladies and Gentlemen,*

But this Thirty-fifth session of our Conference is also taking place at a time when the world is in serious turmoil: financial crisis, economic crisis and food crisis. Faced with these major challenges, we must take important decisions to enable FAO to perform its mandate to the full.

***(State of food insecurity in the world)***

These last three years have seen a rapid increase in food prices. The FAO Food Price Index increased by 9 percent between 2005 and 2006, then by 24 percent the next year, and finally by 40 percent during the first part of 2008. In July, good prospects for world production triggered a price reduction for the main cereals. Food prices have indeed fallen by 14 percent. But the Food Price Index in September 2008 was still 51 percent higher than its value in September 2006. Input prices have doubled, even tripled, and have become inaccessible to small farmers.

The reduction in food prices should not be interpreted as the end of the food crisis. It is more the result of lower demand associated with the global economic slowdown than of an adequate increase in supply. Cereal stocks must in fact be replenished. With only 433 million tonnes of opening stocks, the cereal "stocks-to-utilization" ratio is at its second lowest level in 30 years. What is more, the downturn in prices could reduce food production in 2009/2010, which would provoke another food crisis.

In response to more attractive prices, the developed countries, which have a higher elasticity of supply relative to demand, have increased their cereal production by 11 percent. The developing countries, on the other hand, have only recorded growth of 0.9 percent. In fact, if we exclude China, India and Brazil, production from this group of countries has actually fallen by 1.6 percent.

Total food imports amounted to 827 billion US dollars in 2007 and could reach as much as 1 020 billion US dollars in 2008. This represents an increase in import costs of 23 percent at world level and of 35 percent for the developing countries.

The consequences of the food crisis are dramatic, especially for poor households and even for small producers not able to feed themselves from their home production. At the end of 2007 and the beginning of 2008, food riots caused social and political unrest in 20 countries on all continents.

FAO's latest data on food insecurity indicate that in 2007 alone – mainly because of higher prices - the number of hungry people in the world rose by 75 million instead of falling by the 43 million needed to attain the commitment of the World Food Summit of 1996.

In October 2008, we counted 36 countries in a state of serious food crisis requiring emergency aid. Of those countries, 21 are in Africa, 12 in Asia and three in Latin America.

*Excellencies,*

*Ladies and Gentlemen,*

***(Programmes and initiatives)***

To meet these challenges, we must not only eliminate the hunger that 923 million people in the world suffer, but also double food production. For we need to feed a current population of 6.5 billion that will reach 9 billion in 2050.

Plans, programmes and projects exist to resolve the problem of food insecurity in the world, even though they might need further refinement and updating.

From 3 to 5 June of this year, we convened a High-Level Conference to deal with the world food crisis. Delegates from 181 countries – including 43 Heads of State and Government and over 100 Ministers – reaffirmed the need to produce more, particularly in low-income food-deficit countries. The declaration of the Conference, which was approved by acclamation, clearly stated that investment in agriculture was the cornerstone of any sustainable solution to the food crisis and that the necessary resources should be made available.

The G-8 Summit in Hokkaido and the Special Session of the United Nations General Assembly in New York provided opportunities to continue discussions of the causes of the crisis and necessary responses.

FAO has pursued a variety of actions under its Initiative on Soaring food Prices, launched on 17 December 2007. The Organization has thus received from 79 countries requests to participate in this programme. Seed and fertilizer distribution has already begun or is planned in 76 of those countries. This type of activity is in fact nothing new for the Organization, as in the past 10 years we have implemented 1 022 input distribution projects with an aggregate value of 931 million US dollars.

But, given the expectations of those countries, I must also point out that the funds available for intervention fall far short of requirements. In spite of the heartfelt speeches and financial commitments that were made by many countries, only a tiny fraction of the amount pledged last June has actually been delivered. Only 10 percent of the 22 billion dollars announced have been received and have been used mainly as emergency food aid.

*Excellencies,*

*Ladies and Gentlemen,*

***(World Summit on Food Security)***

The recent financial crisis has shattered the triumphant certainties of deregulation of the international economic management system. It was therefore no surprise that, on the initiative of President Nicolas Sarkozy, the world's political leaders should call for a recasting of the international financial order. Such was the backdrop to the G-20 Summit that was held last week in the United States.

The food crisis requires the same level of attention. It has economic, social and ethical ramifications but is also clearly a threat to world peace and security.

That is why I proposed a World Summit on Food Security in the first half of 2009 to reach a broad consensus on the rapid and conclusive elimination of hunger from the world.

I launched this idea at the World Food Day celebration in New York on 23 October this year in the presence of President Clinton and the Secretary General of the United Nations. I have just put the idea to US President-elect Barack Obama in my message of congratulations. And I have submitted it for consideration by the Heads of State and Government of the Member Nations.

The Summit should ensure greater coherence in the governance of world food security. It should lay the ground for a new system of agricultural trade that offers farmers, in developed and developing countries alike, the means of earning a decent living. They should earn incomes that are comparable to those of workers in the secondary and tertiary sectors of their countries, if they are to remain in the rural sector. We need to revisit the international agricultural system that President Roosevelt and the founding fathers wanted fairer and more considerate to the undernourished when they created FAO. For that, we must have the intelligence and the imagination to devise agricultural development policies, rules and mechanisms that can forge an international trade system that is not only free but also equitable.

The Summit should also come up with 30 billion US dollars per year to build rural infrastructure and increase agricultural productivity in the developing world. We need to save Humanity from hunger in a world in which 365 billion US dollars were spent in 2007 supporting agriculture in the OECD countries; in which 1 340 billion US dollars are spent each year on armaments; and in which more than 3 000 billion US dollars could be found in just a few weeks in an attempt to stifle the world financial crisis. In the immediate term, an "Emergency Intervention Fund" should also be envisaged to provide capacity for the revival of production in low-income countries that are heavily reliant on food imports. We need to avoid situations in which, despite repeated FAO warnings on falling agricultural investment in 2002 and on rising food and input prices in 2007, the rapid response resources needed to deal those problems did not exist and still do not exist.

For its part, FAO is ready to do everything it can to help prepare the organization and ensure the success of such a Summit which should enable all people on Earth to enjoy the *Right to Food*, which is the most fundamental of human rights.

*(Governance)*

We must correct the present system that generates world food insecurity on account of international market distortions resulting from agricultural subsidies, customs tariffs and technical barriers to trade, but also from a skewed distribution of resources from official development assistance.

We also need to bolster the international fight against food insecurity, drawing upon existing structures and programmes. We need to devise a global system that is better suited to the new challenges of food security.

The Committee on World Food Security (CFS), which was established after the World Food Conference of 1974, serves as a forum for review and follow-up of policies and programmes on world food security. Mandated to directly oversee implementation of the World Food Summit Plan of Action, the Committee also examines key problems and issues affecting the world food situation, monitors actions taken by stakeholders and proposes measures to facilitate the goal of world food security. As an intergovernmental mechanism, the CFS is universal. It is open to all Member Nations of FAO and the UN and to representatives of other international agencies, NGOs, civil society and the private sector.

However, in order to fully implement its mandated role, the CFS needs to be enhanced as a system of governance of world food security. Its expertise and intervention capabilities need to be strengthened.

Thus, the formation of a global network of high-level experts on food and agriculture would strengthen CFS expertise, providing science-based analysis and highlighting needs and future risks. This network of 400 to 500 experts from around the world could be set up in 2009 along the lines of the Intergovernmental Panel on Climate Change (IPCC).

By reinforcing it with the “Global Partnership for World Food Security”, the CFS would gain in credibility and effectiveness, and would be more widely recognized and operational. For this to happen, it needs to have new prerogatives and meaningful capacity for action, justifying stronger policy support from the Member Nations.

The CFS needs to become a forum of synthesis and guidance for determining and implementing agricultural and food security policy at national, regional and international level. It should also be a forum of discussion to ensure coherence of the world food security system: production to meet growing demand and the fight against hunger, productivity in the face of climate change and the need for environmental conservation, production chains and food safety, a fair international market and remunerative incomes for all farmers, allocation to agriculture of funds from official development assistance, direct foreign investment and national budgets.

*Excellencies,*

*Ladies and Gentlemen,*

*(Conclusion)*

The intention therefore is to reform FAO so that it can play a more effective role in world food security. But after more than 60 years, it is also essential to create a new system of world food security

International political consensus is needed, not only to find and apply appropriate technical and economic solutions to the challenges of hunger and nutrition in the world, but also to renew, strengthen and harmonize structures of reflection and decision, and to equip those structures with the powers and the means to act.

I know that this Special Conference will guide us in the path of renewal to eradicate hunger from our planet and lay the foundations for conservation agriculture to feed Humanity.

Thank you for your kind attention.