

26th 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 quickening pace of history

We all know that in today's world all the major problems have become world problems. Interdependence is a fact of modern life, and any decision taken in a major country is likely to affect all the others.

However, no sooner had we come to terms with this concept and begun to draw our conclusions and to assess the major implications for the design of a new world order, than we were overtaken by a wholly new phenomenon: the sudden and breathtaking acceleration of the pace of history in the past two or three years.

In a headlong course of events, political and economic systems that governed hundreds of millions of people have collapsed resoundingly and nations long held in check have

regained their independence. Everything is happening so fast and the current scene is so fraught with contradictions that any attempt to discern an overall pattern borders on the reckless.

Hopes ...

2 In this rapid whirl of events, positive and negative elements inextricably mesh before our very eyes. There is a genuine move toward peace and dialogue: *détente* and the advent of cooperation between East and West; arms reduction that should open new horizons for aid to development; democratization, the resurgence of freedom, the resolute return of peoples' right to self-determination, and the end of apartheid; and the gradual abating of crises in Afghanistan, El Salvador and many other countries. All this should fill us with unmitigated joy and give rein to our most cherished hopes.

... and threats

Why then must these joyful developments go hand-in-hand with outbreaks of untold violence? Whenever we manage to tame a fire somewhere in the world, others flare up elsewhere. Exasperated nationalism turns to conflict and bloodshed, and economic recession and unemployment continue to plague the industrialized countries. Also, these last years – and particularly 1991 – have been unusually

prolific in natural disasters which have wrought death and destruction in equal measure.

Never has the sheer number of men, women and children suffering from hunger been so high. Never have so many refugees crowded along roads and struggled their way on to pitifully flimsy vessels. Never has the need for all forms of technical and humanitarian assistance, including food aid, been so great, not only in Africa and other developing areas but also in the North – more specifically in Eastern Europe where the production and distribution systems have to be rebuilt from scratch.

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Renewed prestige of the United Nations

Such a complex state of affairs is a radical test of our ability to square up to the risks and opportunities of our time, and to assume unequivocally our obligations to humanity in a climate of mutual respect.

The world, therefore, has been thrown into disarray, and there is no doubt that the long and vehemently decried UN system has gained in stature and authority. Whether we are striving for peace, coming to grips with serious economic and social crises, countering dire threats to the environment or responding to an epidemic outbreak or a major natural disaster, we now all agree that, on the world level, the only

one capable of taking on the risks and seizing the opportunities I mentioned earlier is the UN system.

This new surge of prestige and confidence definitely stems from the capacity for effective action of the UN and its specialized agencies, but even more from the unique venue they offer for dialogue and consultation and for solving problems. If a new world order is to emerge, only the UN can be both its family and its birthplace.

4 For the action of this family to be able to cope with today's crises and upheavals, the Member Nations would need to do more than simply acknowledge the worth of the system. They would also have to endow its agencies with the necessary resources and funds to match the staggering increase in needs and in the workload expected from us.

Limited funds

There is no hiding the fact, however, that the persistent and aggravated malaise of the world economy precludes, for the time being, the massive material support the situation would require. Some of our Member Nations are poor and becoming poorer, while others have problems and financial imbalances of a scale to impede the release of the funds required. Meanwhile, official aid to development – for which the 0.7 percent of GNP target has never been achieved – is

stagnating in real terms, and the transfer of technology, however vital, is blocked by budget cuts.

Commercial and private contributions have slumped disastrously since the onset of the debt crisis in the 1980s and there are still no indications of an upturn.

To consider this a normal state of affairs and to bow to the inevitable is not the right way; we need to acknowledge the existence of this situation and, until things get better, model our actions accordingly by safeguarding the essential, which means sharper and clearer priorities. Given the giddy pace of change, the emergence of new needs and the shifting nature of the problems, our organizations need to be more flexible, more lucid, more imaginative and more active than at any time in the past.

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Such, Mr Chairman, is the backdrop to the Twenty-sixth Session of the Conference. The situation I have just described affects FAO as it does its sister organizations, but I should like to make a number of observations concerning us and our activities in particular.

The State of Food and Agriculture

I shall not dwell at length on the material aspects of what we traditionally refer to as "the State of Food and Agriculture".

But we do need to remember that, while current stocks are now sufficient to cover the needs of the whole human race, demand backed by solid cash is way below these needs. In practical terms, this means that over 500 million people are suffering from hunger, and that an even higher number are affected by malnutrition, because they lack the wherewithal to secure an adequate diet. While the rich countries have to overcome tricky problems of surplus production, poverty is denying food security to hundreds of millions of our fellow human beings.

6 Poor people, poor nations. In the developing world, where agriculture is often the prime earner, the relentless decline in commodity prices reduces earnings and feeds poverty. Current prices for agricultural commodity staples stand at half the level they were at in 1980 (which was already the lowest point in the preceding decade), and there are no indications of recovery in the near future. How then can we consider international aid as anything more than a pointless and derisory sop? Higher prices would generate far greater earnings, and relieve the pressure on developing countries to sell off more of their natural resources in an attempt to compensate for falling prices.

Furthermore, in the last ten years most developing countries have been caught in a stranglehold of debt servicing from which few have worked free. Obviously, the resources they must sacrifice to make up for the past cannot be used to make a better future. All sectors suffer, and agriculture most

of all. Sadly, progress in international initiatives to resolve this contradiction is proceeding at a snail's pace.

For their part, the remedies proposed by the World Bank and the IMF are sometimes too drastic. It is too early to say whether we can expect a solution; what we are noticing now more than anything else, four or five years later, are the negative social consequences. The beneficial effects will only be truly visible after fifteen to twenty years. The Bank and the Fund should therefore pursue their efforts, but should take care to minimize the social cost of the adjustments they advocate.

Agricultural prices are also falling in the developed countries where farmer discontent sometimes erupts in violence, despite the thousands of millions of dollars received in subsidies. In brief, farmer discontent is universal, but only in the rich countries is it voiced forcefully enough to prise sizeable aid from the government. And if subsidies are required for agriculture in the rich countries, how can we fail to concede that they may, in some situations, be necessary in the poor countries?

Ecological problems can sometimes pose an even greater threat. It would take me too long to describe how poverty, coupled with soaring population growth, endangers the environment. Overexploitation and the stepped-up degradation of marginal lands, deforestation and the irreversible advance of desertification: you will be discussing

these issues, which are unfortunately only too familiar, under Agenda Item 7.

The role of FAO

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How has FAO responded to these situations? We have been besieged with requests for assistance and each time we have sought to intervene as effectively as possible, often undertaking joint humanitarian missions with other institutions as resources have permitted. Apart from the immediate response spurred by the international solidarity that is our *raison d'être*, such requests for assistance inevitably raise crucial questions about FAO's role and its practical resources.

Article 1 of the Constitution of FAO stipulates its main functions: to collect, to analyse, to interpret and to disseminate information relating to its fields of competence; to provide the Member Nations with a forum for dialogue and consultation; to help and to advise them with policy-making; and to provide such technical assistance as they may request.

Depending on circumstances and the changing needs of countries, a particular aspect of our mission may assume greater importance at a given time. But these different aspects are bound together, with each element feeding the other. We can advise on policy and suggest appropriate action in the field in response to the data we receive and the

deliberations of our Member Nations; conversely, our experience in the field nurtures and shapes our perceptions and enriches our knowledge. Though we sometimes have to give more weight to one side than to another – for example, effective action in emergency situations – our mandate has no difficulty in accommodating the theoretical and the practical, for these are facets of one and the same purpose. To quote the Chinese proverb: one should walk on both legs.

We would be derelict in our duty if we were to renounce any of the roles laid down by our Constitution. We are in a unique position in the world to deal with the range and variety of activities that I have just mentioned.

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On the one hand, we receive from our Member Nations and our staff in the field an unparalleled wealth of information unobtainable elsewhere that allows us to suggest certain principles of conduct in our fields of competence. I am proud to say that never before has FAO made such progress in this area, whether in our continually upgraded Global Information and Early Warning System or in our work on food standards, pesticide use, plant genetic resources, and the like.

On the other hand, the original and specific nature of our field-work makes it irreplaceable. Who else could have coordinated locust control on such a large scale, or, to take a more recent example, who but us could have organized and successfully implemented a campaign to halt the spread of the

formidable New World screwworm to the Mediterranean coastal countries? Of course, the private sector and the well-resourced bilateral programmes have a role to play, and it is certainly not our intention to vie with them. But our wealth lies in our universality, in the range of people, cultures and techniques at our fingertips, in our long-standing experience and, particularly, in our independence and impartiality and our total lack of political or commercial motivation. It is not our intent to replace the other kinds of development action but to complement them, a vital and fundamental aspect of our mission from which nothing can deter us.

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This does not mean that we harbour unbounded ambitions or aspirations. We know that our weight in the world's agricultural economy is limited. We are not a world ministry of agriculture, but we do serve as a forum for the exchange of opinions, dialogue, consultation and cooperation for the benefit not only of farm, forest and fishing populations, but also for the consumers and traders of agricultural products. We provide all these user categories with an extremely wide range of services and information.

Our actions, though varied, nonetheless show considerable homogeneity; under the guidance of the governments that define our policies, our work forms a tightly woven whole. Under a strict evaluation and monitoring procedure, we periodically account for our actions to those to whom we owe our mandate. We are a small player on the world stage but we are important, for we are a

tool fashioned by the Member Nations themselves and a very productive one at that, even if its achievements are not always well known, as in the case of our joint endeavour with the International Atomic Energy Agency to find ways of using nuclear technology for agricultural development.

FAO in 1990-91

Such, Mr Chairman, is the background, and I should now like to examine with you what FAO has achieved during the closing biennium, and what it intends to accomplish during the next two years.

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Implementation of the Review

Two factors have heavily influenced the work of the 1990-91 biennium. First of all, we had been instructed by the Conference to implement the Review of Certain Aspects of FAO's Goals and Operations.

I do not believe that any other United Nations agency has ever been so thoroughly and searchingly scrutinized as FAO was during this review. It is comforting to note that at the conclusion of this very painstaking examination, the independent experts, the Conference, the Programme and Finance Committees and the Council unanimously found

FAO to be basically sound and in good health, needing only to be strengthened.

The implementation of the Review's recommendations implied additional resources, which I had estimated at 27 million dollars. Though these additional funds were not provided, my colleagues and I were able to meet almost all of your expectations in this respect. I do not wish to go into the amount of ingenuity, hard work and energy that our Secretariat had to draw upon, nor the sacrifices it had to make, to achieve this result. I am just happy to be able to tell you that FAO today has already made great strides in the direction you indicated.

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Financial situation

Secondly, we had to confront the worst financial crisis that the Organization has known since its inception, one which seriously compromised the execution of the 1990-91 Programme of Work and Budget. Let me just mention the most salient consequences of this crisis. To begin with, our resources have been truncated by extreme delays in the payment of contributions. Just think: some twenty countries stand to lose their right to vote because they have arrears of more than three years, that is to say, over the limit cited in Paragraph 4, Article III, of FAO's Constitution. Additionally, we have had to absorb unforeseen cost increases, primarily concerning remuneration and social benefits. Lastly, the financial malaise is taking a highly

negative toll on our staff resources; the anticipated cut in pension benefits produced a wave of early retirement, and we have been hard put to fill the ensuing vacancies because the terms and conditions of employment we can offer to new staff are not very attractive.

For the very first time, we were forced to resort to borrowing during this biennium, even from commercial banks, to meet our most pressing commitments. We did so most reluctantly, for, even though the settlement of specific outstanding debts did provide a quick solution, this is a wholly abnormal, unstable and unsettling situation for the Organization, and a costly one to boot. There does now seem to be some hope for an upturn in the near future as our major contributor is beginning to pay its arrears.

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Sustainable development

Throughout the entire biennium, we have focused on what our Member Nations considered to be the priority issues: advice on and support for policies, sustainable development and the environment, forests, the integration of women in development, and the preparations for the 1992 International Conference on Nutrition. These are all items on your agenda and I have no wish to encroach upon your deliberations. I should just like to point out that the obligation to preserve our basic asset – the earth and its productivity – imposes an additional burden on the developing countries; one that they cannot shoulder without the solidarity and backing of the

international community. With this in mind, we outlined a world plan for sustainable development in agriculture. First presented to the FAO/Netherlands Conference on Agriculture and the Environment held last April in the Netherlands, and subsequently approved by the Council of FAO, this plan will provide the basic framework for our contribution to the major United Nations conference on this vital issue to be held in Rio de Janeiro in June 1992.

Another issue of vital importance to FAO is the need for humanity to match development to the environment, and to take full responsibility, as manager and trustee, for the world's natural resources. Our work in forestry fits right into this context, as clearly exemplified by the Tropical Forests Action Programme.

FAO in 1992-93 and thereafter

The question of how we are to tackle our responsibilities in 1992-93 and the years to come will depend primarily upon our Member Nations.

Membership of the Organization

At this juncture, I could hardly fail to mention a potential change in the make-up of our Organization. The present session of the Conference has before it several applications for membership, which is a mark of FAO's vitality and of its

cardinal role in food and agriculture. I particularly welcome the applications of the three Baltic States – Estonia, Latvia and Lithuania – which have already joined the United Nations and now wish to become members of FAO. The Republic of South Africa is also asking to be readmitted, and the United States is applying for associate membership status for Puerto Rico. I welcome these various submissions and firmly hope that they will allow our family to grow and bring the Organization closer to the universal representation implicit in its purpose.

Furthermore, the European Economic Community intends to submit its application for full membership in FAO, provided that the current session of the Conference adopts certain amendments to the Basic Texts.

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Mr Chairman, I wish to add a few words about the proposed amendment of the Basic Texts of FAO, concerning options for a form of membership for regional economic integration organizations in FAO. Regional economic integration organizations like the European Economic Community have greatly expanded in recent years, as has their role in food and agriculture. For this very reason, they should have a corresponding role in the decision-making process of organizations like FAO. The European Economic Community has already proved to be an invaluable partner in tackling the key issues of food and agriculture throughout the world. This Session of the Conference is to determine whether the Basic Texts should be revised in

acknowledgement of this role, and to authorize membership in FAO, in accordance with specific provisions, by regional economic integration organizations to which the Member Nations have transferred competence in specific matters concerning food and agriculture. Mr Chairman, we stand at a turning-point in history, and I am fully convinced that the entire UN system will be closely following your deliberations, for we should not forget that FAO is breaking new ground here.

The Programme of Work and Budget

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It is of course the Conference Plenary's decisions on the Programme of Work and Budget that will set FAO's course of action for the coming biennium. For the first time our proposals are contained in the Medium-Term Plan for 1992-97 on which you will also be reaching a decision. This Medium-Term Plan is a major outcome of the Review of FAO. In the preparation of this new type of document, we have drawn upon the Organization's earlier experiences in medium-term planning. We have also endeavoured to make the best possible use of the experience of other UN organizations.

The Conference expressed the desire to have this plan constitute the foundation for the Programmes of Work and Budget for the next six years. I hope it will provide you with

an appropriate framework for judging our future objectives, policy orientations and priorities.

I am pleased to see that these various proposals have won the approval of the Programme and Finance Committees, which examined them with their habitual care. The priorities we have set were approved *without* disagreement, apart from some divergent views concerning financing. I am confident that the Conference, in its wisdom, can easily surmount these minor differences and reach a consensus on the budget.

I do believe that it is extremely important for our Programme of Work and Budget to be adopted by consensus at a time when we need our combined strength to confront the many challenges that lie ahead. To further such consensus, I have done everything in my power to solve the following dilemma. There is ample justification for a substantial expansion of our programmes in the situation I have just described and in the increasing need for assistance and growing volume of services that the Member Nations expect from us. And yet, a hefty increase in contributions would be unacceptable to many Member Nations, some of whom are unable to meet even their own current obligations. Regretfully, therefore, and after much soul-searching, I have decided to propose a budgetary level that, as a compromise solution, I hope can be approved by consensus. It is better to make the best of a bad situation if this can ensure cohesion and harmony among our Member Nations.

The future implications

Mr Chairman, let us now look at the broader perspective, the major implications for the future of world agriculture and the ensuing consequences for FAO.

Eastern Europe

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On the one hand we have the Eastern European countries which, since our last Conference in November 1989, have been rocked by their breathtakingly rapid transformation from collectivism to a market economy. This is an extremely risky situation, and averting the collapse of these agricultures in transition is in the best interest of us all. FAO stands ready to do its utmost to respond in whatever way it can, and for as long as necessary, to help the countries involved to steer this perilous passage; the mission of providing advice and counsel to Member Nations is written in to its Constitution. The big question mark is the interim period before the new systems take off and become cost-effective. The European Bank for Reconstruction and Development, whose foundation I especially applaud and whose dynamic President delivered the McDougall Lecture at the opening of our Session, is expected to play a pivotal role in this respect.

These countries will therefore require major injections of capital and technology and substantial food aid from the

international community. Whether this can be accomplished without detriment to the developing countries is the capital question, and only the concerted pooling of the ideas, expertise, and logistical and other resources of all potential donors can provide the answer. Here again, FAO stands ready, with its experience and its competence, to serve the international community.

The developed countries

On the other hand, the agricultural sectors of the developed countries, still very fragile and vulnerable despite their extraordinary efficiency, also appear to be at a historical crossroads. Even in countries where farmers are now a fraction of the economically active population, they still swing considerable weight with governments. Economic malaise in the farm sector can have surprising repercussions in the political and economic spheres, as we see in Europe in particular. The reason for this is that even the most affluent and industrialized societies still rely heavily on the farm sector. But now the stance taken by the industrialized countries in the GATT agricultural negotiations is shaking to its very foundations the protectionist arsenal and measures that have, up till now, served to reconcile technological progress with social equity. There again, could not the pace of change be quickened by showing a little less caution?

The developing countries

However, the problems of agriculture in Eastern Europe and in the developed countries must not be allowed to overshadow the immense distress of the rural sectors and countless problems of agriculture in the developing countries.

For, it is in the developing world that the destinies of most of humanity (and of us all, in the final analysis) will be played out. Indebtedness, capital flow, the environment, raw materials and markets, migration across frontiers – these are all problems that will inevitably involve countries in the North and South alike.

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Until such time as world primary commodity prices rebound to and remain at levels that can assure both a decent income to producers and sufficient earnings for the exporting countries, and until we see the removal of the major technological and economic barriers to a resurgence of agricultural production with due consideration for natural resources, it is entirely pointless to talk about sustainable development and the eradication of hunger.

The truly poignant efforts of the developing countries to overcome their handicaps and to adjust to the globalization of the world economy are bound to fail without a new world order that will ensure these countries the means to get ahead and also counter commercial trends to the contrary. The role

of the international technical and financial organizations, particularly the World Bank, is crucial in this respect. It is essential for the resources and the action capability of these organizations to be brought up to the size of the challenge that we, together, must take up.

Conclusion

I firmly believe that our Organization can and must play a unique and quintessential role in this regard, in terms of policy as well as concrete action.

At this moment in history, all Member Nations, regardless of their level of development or the problems they face, must be able to count on FAO and on the services of its Secretariat, on the staunch solidarity of each and every nation in our community. For all these reasons, the views you are about to express, the guidelines you are about to define and the decisions you are about to take during the Twenty-sixth Session of your Conference are of paramount importance. I therefore extend my most fervent and best wishes for the full success of your work.

Thank you.