



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

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación



# CONFERENCE

## Twenty-eighth Session

Rome, 20 October - 2 November 1995

### DIRECTOR-GENERAL'S STATEMENT

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

It was only a few days ago, in the timeless majesty of the Château Frontenac in that charming city on the banks of the Saint Lawrence, that we dipped deeply into the past to rediscover our roots and the depth of our dimension.

On 16 October, World Food Day and the birthday of our Organization, we climbed to the pinnacle of our founding fathers' philosophical ideals to touch its heights.

Today we must plunge back to earth and come face to face with the harsh reality of our programmes and our resources.

I shall thus not touch upon the issue of our Organization, how it has changed, and its future prospects, which were such a prominent feature of my Fiftieth Anniversary commemorative address. I shall be speaking to you more prosaically of a much more modest four-year time-frame covering the 1994-95 and 1996-97 biennia.

The 28th Conference of FAO comes at a crucial time in its existence.

The Fiftieth Anniversary ceremonies were an unqualified success thanks to the memorable welcome and generous hospitality of the governmental authorities of Canada, the Province of Quebec and Quebec City. In the course of this last week, the Ministerial Meeting preparatory to the World Food Summit approved the "Quebec Declaration", reaffirming the fundamental human right to food and the vital importance of the sustainable management of plant, animal, forestry and fishery resources. Lastly the Symposium "People at the heart of development" revealed the unity of views of the non-governmental organizations, the academic world and the private sector on the need for a relentless struggle to eradicate hunger in the world.

All of these events augur well for us to return to our roots, and to embrace the faith and hope that spurred the great visionaries to make the bet of a lifetime and take up the collective challenge and commitment of ensuring "Bread for all", in the aftermath of the most destructive human undertaking of all times.

Recent times have, unhappily, seen a resurgence of isolationism and the propensity to crawl back into one's shell, with exacerbated criticism of United Nations and Bretton Woods institutions, a throwing into question of the principle of universality, and a weakened commitment for aid to development.

These are all signs and precursors of a revival of the demons of egocentricism and exclusion, and of a growing penchant for the primacy of force as an instrument of international and domestic relationships.

The twilight of the 20th century thus foretells a night of anguish in a bipolar and fragmented world in which the antagonists of yesteryear are re-emerging from the depths of intolerance. And as the 21st century dawns, the sun may well come up on a world filled with danger and devoid of compassion.

Quite apart from the local wars and ethnic and religious conflicts, the looming danger for humanity is an insidious inclination toward "laissez-faire" and "laissez-aller" which is steeped in a religious, indeed dogmatic, belief in the universal and holistic virtues of the market-place as the universal answer to all domestic and international problems.

While the fall of the Berlin Wall tolled the knell for state socialism and collectivization as effective answers to economic questions, and while bureaucracy and waste have tarnished the image of many government institutions and certainly no one would wish to return to the mistakes of the past, still we are also forced to note that the rules of competition have done nothing to eradicate the scourges of poverty, hunger, unemployment and exclusion, any more than they have prevented over-exploitation of our natural resources and the progressive degradation of our environment.

Social and moral values are a necessary complement to mechanisms of financial accumulation if we are to build domestic and international relations grounded in brotherhood and the sense of belonging to the same global village. These are the underlying values of the Food and Agriculture Organization of the United Nations and its motto "Fiat Panis".

And the danger for our Organization looms in the form of an impulse to cut the Organization's already insufficient resources. Whereas the acceptance of a zero-growth budget was already a step backward in the light of growing needs, attempts are now being made to drop to a negative-growth budget in real and indeed in nominal terms.

While we cannot fail to note the very real financial straits of some Member Nations and their concern to economize and rectify imbalances in their national budgets, we also need to keep a reasonable sense of proportion. A minimum critical financial mass is after all essential when the job at hand is to implement programmes for 176 Member Nations, ensure the fundamental human right to food, and organize the sustainable management of the world's plant, animal, forestry and fishery resources and of their terrestrial and aquatic environments.

It is impossible to make drastic and immediate cuts in FAO's resources without jeopardizing the methodical and systematic efforts that have been made since the June 1994 FAO Council to streamline structures and procedures, decentralize resources to the user level, find innovative modes of intervention, and retarget and integrate action in priority areas.



In the management sector, for example:

- the number of staff posts in the highest categories have been reduced compared to the lower categories. The posts of Assistants to Assistant Director-Generals and Directors have been eliminated;
- international Programme Officers have been replaced by national counterparts;
- the General Service staff is being reduced through increasing recourse to modern office technology;
- experts transferred to the Regional and Sub-regional Offices have qualified but less expensive administrative personnel;
- the consolidation of sectoral operations divisions and the regrouping of administrative staff scattered throughout the divisions have reduced staff numbers;
- the implementation of technical cooperation programmes between developing countries and transition countries has led to shared costs and technical assistance;
- the use of retirees, university students and sabbatical-year researchers has lowered the need for costly consultants.

Counting all funding sources and duty stations, FAO's staff has been cut by 158 posts compared to 1 January 1994. These measures, the fruit of a long and careful management review and major changes in the Organization's *modus operandi*, are to be expanded during the upcoming biennium and will save the Organization 43 million dollars.

Resource utilization audits have been reinforced. The first overall audit was carried out in June and July of 1994 for all of the Organization's field offices, except in countries with ongoing emergencies, producing 60 reports during a five-week period. This novel exercise caught the attention of the "International Journal of Governmental Auditing" and led the "Internal Auditor" to write that this was the "*fullest internal audit project ever carried out in the United Nations system*".

Arrangements have also been made for a monthly audit of financial management in the field offices by specialized private firms, allowing the FAO internal auditor to concentrate on Headquarters and the Regional Offices.

Lastly, the system of dual signatures on the Organization's accounts has now been extended to field projects, Regional, Sub-regional and Liaison Offices, and FAO Representations.

Concerning decentralization:

The Regional Offices have been reinforced by substantial numbers of experts assigned to the post. This movement has been slowed in some regions, however, due to delays caused by refurbishing and work problems on the premises provided by national authorities.

Four out of five headquarters of the Sub-regional Offices have been identified. Two headquarters agreements have been signed. The remaining two are being finalized. Appropriate measures will be taken to solve the delicate problem of the Sub-regional Office for the Near East which had been earmarked for North Africa.

All in all, 106 additional Professional posts have been transferred to the Regional, Sub-regional and Liaison Offices. Among these, 86 have been transferred from Headquarters or from former joint divisions. A total of 31 experts have already reached their duty stations and the others are soon to follow.

International Programme Officers have been redeployed to posts corresponding to their qualifications: appropriate placements have not yet been found for some. The selection of national Programme Officers is virtually complete.

The framework paper for the utilization of national officers/correspondents is now the topic of internal consultations.

Concerning new programmes:

What we are trying to do is to re-establish cooperation with external partners and have greater recourse to national capabilities.

The agreement concerning the utilization of experts for technical cooperation between developing countries has been signed by 75 governments and 3 700 experts have presented their applications. The comparable agreement for technical cooperation among countries in transition has been signed by six governments and 122 experts have been proposed. So far, 14 missions have been organized under these agreements, but many others are being prepared and there should be a sharp upswing in the utilization of these experts in 1996.

The cooperation agreement with institutions of research and learning has been signed by nine OECD member countries. Four scientific personalities have already been seconded to the Organization under these agreements.

Lastly, 38 countries have signed agreements to promote the use of retired experts. A sizeable number of retirees have also stated their willingness to continue working in the service of development and nearly 70 have already been tapped for use.

During the upcoming biennium, the programme to utilize young professionals in the developing countries, now in the pipeline, will be implemented.

These organizational changes, carried out at the same time as FAO's programmes were being implemented, have required exceptional efforts on the part of the staff to both effect these transformations and do their normal work at the same time. I want to take this occasion to solemnly thank them for their spirit of abnegation, their skilfulness and their faith in the Organization and its objectives.

The programmes have suffered, however, from the budgetary restrictions dictated by the cash flow situation at FAO.

Training activities planned for 1994-95, for example, have been slashed by 17 percent and publications by 6 percent as indicated in the Programme Implementation Report. Selected specific activities have had to be postponed or even eliminated. I shall cite as examples the collection of information on fertilizer production and prices, and a new experimental procedure in the area of post-harvest losses. The tsetse control training manuals could not be published. The work which we were scheduled to do with WHO on zoonoses had to be eliminated. Implementation of the International Scheme for Conservation and Rehabilitation of African Lands has been drastically slowed. Major monthly publications such as "Food Outlook" and "Food Crops and Shortages" are now produced only once every two months. We have also had to publish other statistical yearbooks



less frequently. The work on fishery resource appraisal in the Caribbean had to be suspended. And lastly, in the forestry sector, the updated evaluation of forest resources for 1990 had to be delayed.

Despite this, there have been substantial achievements during the biennium and I should like to briefly review them, beginning with the Special Programme on Food Production in Support of Food Security in Low-Income Food-Deficit Countries.

After a major programme design effort with the support of eminent experts, the Special Programme was launched in October 1994. It is currently operational in 15 member countries.

Activities preparatory to the launching of field operations were carried out in all these countries. This meant fielding exploratory missions, defining programme activities, establishing the national programme monitoring and control mechanisms, forming the national programme formulation teams and preparing national programmes and plans of operation.

Field activities have been implemented to take advantage of the farming season in most countries. In China and Kenya, for example, the national programme is now in its second farm season, and in seven other African countries first-season activities are now under way. In Zambia, Tanzania, Haiti, Bolivia, Papua New Guinea and Nepal, first-season activities are imminent. Additionally, a low-cost irrigation component is in place or in the pipeline in all the countries involved.

I should also like to add that the donor community has been briefed on all activities linked to the Special Programme, either through special meetings in Rome or in the course of periodic meetings in the participating countries.

Preparations for the World Food Summit, coordinated by a small Secretariat with staff seconded from other units, have mobilized the various components of the Organization. At this time three draft technical background papers have been distributed and 12 more are to follow by the end of the year or in early 1996. Half are being prepared in collaboration with other institutions. The structure and content of the General Policy Document and Plan of Action to be submitted to the Summit have been reviewed by the Committee on World Food Security and the Council. A steering committee and several sub-committees have been set up to ensure the implementation of all essential preparatory activities: mobilization of resources, promotional activities for governments, NGOs, the private sectors and the media, the logistical and operational aspects, and so forth. As you know, the Ministerial Meeting in Quebec preparatory to the Summit was an acknowledged success.

With respect to the Economic and Social Department, in addition to its regular activities concerning international agricultural adjustment and the publication of the annual report "The State of Food and Agriculture", I should like to point out the publication of the update study "Agriculture: Towards 2010"; support to 80 Member Nations in follow-up to the World Food Conference; the establishment of cooperation linkages with the new World Trade Organization, particularly in the area of food standards; and the study of the impact of the Uruguay Round on the agricultural sector, not to mention the review of operations of the intergovernmental groups on commodities.

The Global Information and Early Warning System for Food and Agriculture (GIEWS), which has extended its geographic coverage and improved its methods of work and data dissemination, is still a cornerstone of FAO's work. In this regard, I should like to draw your attention to the latest GIEWS projections that have been reported to you in the documents placed at your disposal. The outlook for world cereal supply and demand for 1995-96 has again worsened. World cereal production in 1995 will be 3 percent lower than last year. For the third consecutive year, output will therefore fail to meet demand. Prices are rising and the margin of security that the carryover



stocks represented has virtually disappeared. World cereal production will have to increase by at least 5 percent in 1996 if requirements for 1996-97 are to be met.

I should also like to mention the progress that has been made in implementing the World Agricultural Information Centre, which has to collate all the Organization's statistical and textual data. The FAO STAT component is operational. The data are accessible to external users on diskette, the Internet or on-line. Various databases have been introduced into the FAO INFO component, such as the Codex Alimentarius standards which are available on digitalized optical disc.

The extensive restructuring exercise has affected horizontal activities which are now grouped under the Sustainable Development Department. However, the major Remote Sensing, Global Geographic Information System and Agro-meteorology Programmes, particularly for surveillance of rainfall and agro-climatic conditions throughout Africa under the ARTEMIS system, are still being implemented. The grouping of these three activities under one service will play a key role in the development of further environmental monitoring and project implementation activities, such as FAO's electronic atlas and the preparation of land-use maps.

The Sustainable Development Department has also taken over coordination of the Organization's follow-up activities for the United Nations Conference on Environment and Development.

The new Women and People's Participation Division has been particularly active in implementing the Plan of Action for the Integration of Women into Agriculture and Rural Development. Furthermore, it was thanks to FAO's active participation that rural women were given their due recognition in the Platform for Action that was adopted by the Fourth World Conference on Women in Beijing. Similar action in support of rural populations in general was undertaken for the Cairo International Conference on Population.

The two other new divisions, the Research, Extension and Training Division and the Rural Development and Agrarian Reform Division, have focused on defining their programmes and methods of work for the forthcoming biennium, while at the same time pursuing the activities they inherited from the previous structure.

The EMPRES programme - the Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases - has been duly designed and initiated. The first phase of the desert locust programme concentrates on the central Red Sea region, while efforts to control rinderpest serve to bolster the world eradication programme and its three regional components in Africa, West Asia and South Asia.

Other important actions have been successfully concluded:

- the design and preparation of a global programme for animal genetic resources;
- intensification of activities regarding plant genetic resources, particularly the review of the International Undertaking and preparation of the Fourth International Conference on Plant Genetic Resources, which is to be held next year in Germany. Support has been provided for the drafting of 134 country reports and the organization of 11 sub-regional meetings to ensure the participatory preparation of the World Report on the State of Plant Genetic Resources and its accompanying Plan of Action;
- evaluation of water resources and irrigation potential in Africa, together with the establishment of a database on rural water use;



- extension of the programme for the integrated control of crop pests to Africa and Latin America, in collaboration with the UNDP, World Bank and UNEP;
- extended deployment of FAO's Microbanker software to over 600 rural banking institutions.

As regards forestry, the Organization has centred on promoting national and international activities in support of the sustainable exploitation and conservation of forests and forest resources. Several meetings have been organized to better define the strategy needed to dovetail forest conservation and exploitation and to better understand the role expected of FAO in this sector. This process culminated with the first world meeting of ministers responsible for forestry, who looked exclusively into sustainable forest development and adopted the Rome Statement on Forestry. In parallel, FAO issued its first State of the World's Forests, which will be subsequently issued every two years. The Forestry Department was also active in helping many countries to formulate national forestry action plans.

I close this rapid review of FAO's technical programmes with the fisheries sector, where I must of course mention the imminent finalization of the Code of Conduct on Responsible Fisheries which has been submitted for your approval. The Organization has also published its first report on the State of World Fisheries and Aquaculture, which was submitted to the meeting of ministers responsible for fisheries which also took place in March 1995, and which adopted the Rome Consensus on World Fisheries. Finally, FAO has helped prepare the International Conference on Sustainable Contribution of Fisheries to Food Security, which is to be held in Kyoto in December 1995 at the invitation of the Government of Japan.

As for the operational activities of the Technical Cooperation Department, priority has been placed on building new partnerships. Collaboration with international financial institutions such as the World Bank, IFAD and the regional and sub-regional banks, has been stepped up, as the following examples bear out:

The Investment Centre has formulated 41 projects for the World Bank during the biennium, with a total investment of more than US\$2.5 billion. Another 45 projects are in the pipeline. A further 15 projects have been formulated for IFAD. The Investment Centre has also prepared projects in China, Indonesia and Mongolia for the Asian Development Bank, while others are ongoing in India, Pakistan, Sri Lanka and Viet Nam. Collaboration with the Inter-American Development Bank has resulted in the formulation of two irrigation projects, one in Bolivia and the other in Nicaragua.

Other projects have been formulated for potential funding by the West African Development Bank, the Islamic Development Bank, the African Development Bank and the Caribbean Development Bank.

Cooperation with a number of organizations has been strengthened, particularly the European Union. New cooperation agreements have been signed with the Inter-American Institute for Cooperation on Agriculture (IICA).

Cooperation with the United Nations Development Programme, which for various reasons had slackened considerably in recent years, is now on the upturn. Eighteen projects were approved during the first six months of 1995. It should however be noted that the UNDP has a certain propensity to implement its own programmes, which carries the risk of duplication of our activities.

The Technical Cooperation Programme received 800 project requests during the course of the 1994-95 biennium, and over 400 were approved, at a value for this biennium of US\$78 million as of late September.



FAO's Field Programme for 1994 alone represented a total expenditure of US\$275 million, thanks to unchanged overall external financing from Trust Funds.

The operational and normative activities receive what is often decisive support from the Legal Office, which has also assisted over 70 countries with their national legislation and with legal aspects linked to their agricultural development programmes and to the international accords negotiated by the Organization.

I should also like to mention the support service departments which have been closely involved in the restructuring process, defining the new functions of units, drafting post descriptions in collaboration with the technical services and, finally, taking care of staff transfers. At the same time, work has continued in refurbishing office facilities and Headquarters now has an integrated voice/data communication network.

The number of computerized workstations has risen considerably, with more powerful hardware and more effective software installed. These workstations have access to electronic mail and a wide range of technical and administrative data. The Organization is now fully connected to Internet, which will result in substantial savings in communications as the decentralized offices are also being equipped for a two-way link-up with Headquarters.

We are also looking into ways of using computer hardware that is still operational but which no longer corresponds to the Organization's needs, as well as publications in stock, by distributing them to developing country administrations, chambers of agriculture, research centres and training institutes.

Studies have been made on replacing the Organization's financial management system (FINSYS) and everything is ready for an invitation to tender for the procurement - at the beginning of next year if our resources permit - of an effective system with a capability that has been proven in an organization with similar needs to our own. As for replacing the personnel management system (PERSYS), we are currently examining the possibilities of using the system recently introduced at the UN General Secretariat.

Administrative and financial procedures have been thoroughly scrutinized for rationalization and simplification. Computerized administrative forms will be stored electronically, which will result in substantial savings on paper and storage.

Finally, the procedures for official international travel have also been carefully reviewed and clear possibilities for rationalization exist.

I will conclude this overview of what we have done by mentioning that we have just finished formulating a global communication policy with the outside world that will not only introduce a new culture of information within the Organization, but will also serve as the basis for the restructuring of the General Affairs and Information Department. This decentralization-oriented policy will affect the way we produce and distribute publications, and maximize the use of electronic media. This is another area with great potential.

Much of our work is undertaken in conjunction with other UN agencies under joint programmes. But some of our activities are expressly requested by these agencies, particularly by the General Secretariat in application of the decisions of the General Assembly or of the Economic and Social Council. We are asked to help with their activities or to participate in inter-agency coordination meetings. I attach great importance to this cooperation and coordination which are so essential to avoiding duplications of effort. However, such coordination is costly. We have just evaluated it at approximately US\$12 million for 1994, excluding coordination at country office level, a sum equivalent to 5 percent of our Regular Programme expenditure.



Coming back to our main source of concern today which is the Programme of Work and Budget for 1996-97, my proposal during the outline preparation at the beginning of the year was for a budget with zero real growth. I made this proposal against my will and despite the serious challenges facing the Organization, taking into consideration the tight budgetary imperatives that now prevail in the current political and economic climate.

At the time, provisions for increased costs had been estimated at US\$59 million. This was subsequently brought down to slightly over US\$32 million for the Summary Programme of Work and Budget after further reductions had been made. The proposal before you today represents a further downsizing to US\$24.7 million. Our most recent calculations suggest that cost increases should have been put at US\$45 million. The budget of US\$698 million, which has been put before you in compliance with the guidelines of the Programme and Finance Committees, represents an increase of only 3.7 percent over the baseline budget for 1994-95, signifying that FAO will absorb some US\$20 million. We also risk having to absorb further cost increases during the next biennium on account of salary increments proposed by the International Civil Service Commission and of fluctuations in the dollar/lira exchange rate. This will raise the total amount to be absorbed to over US\$28 million.

Finally, I should like to draw your attention to certain facts that will help put this budget proposal into its true perspective:

- Of all the organizations in the United Nations system, FAO has had the lowest increase in Member Nation contributions during the last six years.
- None of the governing bodies of UN agencies whose budgets have recently been approved have agreed to a sum lower than the nominal value of the previous budget. On the contrary, some have received substantial increases. By way of example, the International Labour Office has had a 24 percent increase in budget; the International Civil Aviation Organization's budget will rise by 3.7 to 7.7 percent, while WHO's has been increased by almost 2.5 percent.

Even the Inter-American Institute for Cooperation on Agriculture, 60 percent of whose budget is financed by one of its Member States, will see its resources unchanged in terms of nominal value.

FAO is your Organization. You, the Member Nations, have a clear opportunity to lead it to the success that is so vital to the millions of people who lack access to sufficient food, and to the millions of children under the age of five who suffer from protein and calorie deficiency.

You also have the formidable power to steer the Organization onto the rocky slopes of funding uncertainty, incurring the risk of abject failure which would of course be disastrous for the world's dispossessed, but would also have dire consequences for the more comfortably-off inhabitants of the planet.

The Secretariat of the Organization is your secretariat. It will not engage in demagoguery dictated by economic uncertainty, but will faithfully implement your decisions to the letter. It will give you all the information you may need to help you decide and will advise you with the interests of the Organization, and those alone, in mind. It will make every effort to act with transparency, responsibility, foresight, effectiveness and in respect of legislative provisions.

When you come to take the decisions that will be so fraught with consequences, think first of all of those images of starving children and famished adults that so haunt our consciences.

Think beyond the figures and remember that there are actions that will affect flesh and blood people who are suffering from poverty throughout the world.



Finally, remember that FAO's proposed budget, designed to help the 800 million desperately poor people in the world, really corresponds to what nine developed countries spend to feed their cats and dogs for only six days.

Think about this and may God guide you and keep you for the good of Humanity.