

November 2005

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COUNCIL

Hundred and Twenty-ninth Session

16-18 November 2005

STATEMENT BY THE DIRECTOR-GENERAL TO THE HUNDRED AND TWENTY-NINTH SESSION OF THE FAO COUNCIL

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

I should like first to welcome the Members of the Council and the other participants to this session. Your meeting precedes a particularly important Conference session and should help facilitate a series of fundamental decisions to be taken by the Member Nations of the Organization.

There are two key items on your agenda which I should like to briefly comment on. The first is the Programme of Work and Budget for the next biennium, and in particular the broad reforms that I am submitting for the approval of the Governing Bodies. The second refers to the report of the Inter-Sessional Working Group for the Independent External Evaluation of FAO that the Council set up to determine the parameters of this important reflective exercise.

What is the situation regarding the Programme of Work and Budget?

The proposals are submitted to you in two parts.

The main document takes the traditional form and is based on the Summary that was submitted to you in June, without major changes in programme or structure. It adopts three scenarios: zero real growth, real growth of about 2.5 percent per year and zero nominal growth, which corresponds to an actual reduction of 5.7 percent.

The Supplement explains my reasons for proposing reforms to reinforce the work and structures of the Organization and enable it to respond better to current challenges and Members' expectations. Two further documents have been prepared to clarify specific aspects and help

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understanding of the different facets of these reforms, as requested by the Programme Committee and the Finance Committee.

As you know, during my many meetings with representatives of Member Nations and staff, I have taken pains to explain directly and quite frankly why I consider these reforms to be not only necessary but also urgent.

What are the main thrusts of the reforms?

Firstly, I have proposed to strengthen those areas in which FAO has a clear comparative advantage and where strong action on its part is expected. The reforms therefore focus in particular on:

- cooperation with the United Nations system to help achieve the Millennium Development Goals, beginning with the reduction of hunger and rural poverty. That is the aim of the Special Programme for Food Security at national and regional level and its emphasis on investment in the harnessing of water, in infrastructure and in the processing, packing and marketing of agricultural commodities. Assistance for the recovery of production capacity after disasters together with their prevention and a reduction in their consequences is also part of this objective;
- the exchange and dissemination of knowledge by developing thematic knowledge networks and collecting information on best practices;
- activities to promote the agricultural sector and the fight against hunger and poverty, especially through alliances against hunger;
- consumer protection by applying quality and safety standards throughout the food chain.

The reforms should also facilitate and increase interdisciplinary work on horizontal subjects and programmes, including capacity building, gender equality, natural resources, climate change, sustainable development, research and extension.

The Members' stated priorities are obviously protected and consolidated, with particular attention paid to the control of transboundary plant and animal pests and diseases, and application of the International Plant Protection Convention, the Rotterdam Convention on pesticides, the International Treaty on Plant Genetic Resources for Food and Agriculture, the Right to Food, *Codex Alimentarius* and the Code of Conduct for Responsible Fishing. The development of aquaculture and the sustainable management and protection of forests and fish stocks are also given prominence.

What restructuring measures are envisaged at Headquarters?

The idea is to better match structures with major programmes. The departments in Rome will continue to work on the global issues and to collect and process information. Two new departments will serve to undertake horizontal actions, to generate synergies and to encourage multidisciplinary activities. They should strengthen FAO's role in the collection, management and dissemination of information, especially for the building of capacity at country and regional level. They will also be tasked with facilitating partnerships and alliances.

How will decentralization be reinforced?

The objective is to bring FAO's expertise and services closer to the member countries, to where the needs actually arise, in accordance with the recommendations of the Independent Evaluation of FAO's Decentralization. Thus,

- multidisciplinary teams will be put in place at the level of regional economic integration organizations to provide technical input, policy support and greater investment;
- FAO Representatives will have greater authority and direct access to operating resources. They will also be more directly involved in assistance activities in close cooperation with United Nations teams in the countries.

What are the measures for streamlining and greater efficiency?

The simplification and computerization of procedures, a broader delegation of authority and a reduction in clearance requirements should enable the Organization to be more efficient. Staff performance appraisal will be based more on results. Training and refresher courses will be organized. The hierarchical structure will be flattened, keeping the same number of assistant directors-general but seriously depleting the number of director posts.

How will funds for the Regular Programme be divided?

As the Member Nations have repeatedly requested, it was time to put a stop to the often inherited imbalances that existed in the distribution of Regular Programme funds to enhance the operating capacity and flexibility of the Organization.

Which is why:

- the percentage of total budget resources allocated to staff will be reduced from 66 to 60 percent, with an overall reduction of 122 permanent posts;
- the number of national officers will be increased by 131 posts, which will be offset by a reduction of 85 international professional posts;
- the percentage of professional posts at Headquarters will fall from 70 to 60 percent, in favour of the decentralized offices;
- the percentage of other staff resources in the budget will increase from 17 to 21 percent, which will give the Organization greater room for manoeuvre in recruiting external specialists, as and when required;
- the ratio of general service to professional posts will fall from the current 1.25 to 1.09;
- the share of expenditures not related to human resources will increase from 34 to 40 percent. The funds thus made available for equipment, travel and operations will serve to improve the provision of services.

Staff redeployment resulting from the reduction of posts under the reform will be carried out in consultation with the staff associations. This exercise will be greatly facilitated by the freeze on recruitment that has been in effect since August 2005 and by expected retirements. A total of 57 director posts, 252 professional posts and 211 general service posts will thus be freed.

As regards the Independent External Evaluation of FAO,

I am very pleased to note that the Inter-Sessional Working Group that you established precisely a year ago, and in whose work many Members from all the regional groups have participated, has been able to conclude its mission, despite the complexities. It has put forward detailed proposals on governance, terms of reference, timetable and indicative budget. These will be submitted for your approval. I, for my part, should like to confirm the Secretariat's total commitment to providing assistance to this exercise, while heeding the independence of the process. I reiterate my profound conviction that this evaluation will dovetail with the reforms that I have proposed. Its analyses will have a sustainable impact on the medium and long term. That is why I shall be welcoming the findings of the Evaluation with the most open of minds.

Finally the budget,

I have stressed that the reforms could and should be put into effect whatever the level of budget approved for the next biennium. However, the Conference's decision on this matter will clearly have a fundamental impact on the Organization's ability to carry out its mandate and on the implementation of reform. Your views on this matter will be invaluable for enlightening the discussions of the Conference.

More generally, once the level of budget is known we will be able to draw up a detailed plan of implementation of the reforms decided by the Conference. This will be presented at the next sessions of the Governing Bodies together with a progress report on their implementation.

The Member Nations have called for reform of the United Nations system. The secretariat of your Organization could not but heed this call for change so that it can better respond to the expectations of the hungry of the world. It has therefore taken the initiative to put proposals before you that should place FAO at the vanguard of renewal in cooperation. I am sure that the Member Nations will once again rise to the challenge of taking the bold decisions that are required at this historic juncture in the life of the United Nations in general and of FAO in particular.

Thank you for your kind attention.