



22 April 2013

146th Session of the FAO Council

Opening Statement

Mr Luc Guyau, Independent Chairperson of the Council,

His Excellency Gilberto Carvalho, Minister for the Secretary-General of the
Presidency of Brazil

His Excellency Rigobert Maboundou, Minister for Agriculture and Livestock of Congo,

His Excellency Ahmed Ayad Al-Urfi, Minister for Agriculture, Livestock and Marine
Wealth of Libya

His Excellency Samuel Santos López, Minister for Foreign Affairs of Nicaragua

Your Excellencies Deputy Ministers from Bangladesh and Pakistan

Your Excellencies State Ministers from Cameroon, Gabon and Malawi,

Members of the Council,

Permanent Representatives

Colleagues of UN agencies and FAO,

Ladies and Gentlemen,

It gives me a great pleasure to welcome you to FAO for this the Council.

It gives me an opportunity to share with you where we stand in implementing the vision I
presented to you last year. It is also the occasion to share some of next steps forward.

The vision, our shared vision, is that of a renewed FAO, in sync with our times and up to
challenges we face.



We are speaking of an ambitious transformation that has just started. Its impact is not always immediately visible. But it is, nevertheless, essential so that FAO can function in the 21st Century and fulfill the role for which it was created.

We are working to establish a comprehensive accountability framework, a much improved performance evaluation system, and change the organization's culture to bring real excellence to our working modalities and many more issues.

When I spoke to Council last June, I asked you to judge me by the proposals made and by the results of my work. Let's look briefly at what we have achieved in four key areas over the past 16 months.

The first area I want to highlight is the reduction of unnecessary bureaucracy in FAO, and large increase in efficiency.

In 2012, we identified unprecedented level of savings and efficiency gains. On top of the 6.5 million US dollars mandated by the Council, we saved an additional 19.3 million US dollars, mainly in administrative areas at headquarters.

Immediately after I took up office we embarked on a critical review of posts, which led to the abolition of 85 mainly administrative positions at Headquarters.

Taking into account other transformational changes in 2012-2013, there has been a net reduction of 54 posts during the current biennium.

I also believe in leading by example, which is why the savings start with my own office. The total cost of the Office of the Director-General fell over 10 percent in 2012 in comparison with the previous four-year average.

I have flown on low-cost airlines several times. This has contributed to a reduction of over 30% in my office's travel expenses in comparison with the previous 4-year average – even though I still visited over 40 countries in my first year in office.

The **second area** I want to highlight is how we have used the reduction of unnecessary bureaucracy in FAO to increase our technical and operational capacity where it was most needed.

We reallocated over 10 million US dollars to the decentralized offices; nearly 7 million to interdisciplinary work; and 1 million each to strategic planning and field security. The targeted abolition of excessive administrative posts explains how we were able to decentralize working within the approved budget level for 2012-2013, without increasing the costs, the overall number of posts or without weakening our technical capacity at Headquarters.

This brings me to my **third point**: decentralization. Since I took up office there has been an increase of 55 professional posts at decentralized offices, strengthening our capacity to respond to the specific needs of each region identified in the Regional Conferences.

As we have proven, decentralization does not weaken our global technical and normative work, or our capacities in Headquarters.



As I have argued before, I believe that a strong presence in the field is the way to truly make FAO a knowledge organization with its feet on the ground.

Finally, the **fourth point** I want to make is our effort to improve the performance of our FAO Representatives, which is part of the decentralization process.

We have introduced performance evaluation for current FAO Representatives and adjusted their chain of command. Now they report to the Regional Representative and participate in the planning at the subregional level.

This new configuration assures the coherence of our program of work at sub-regional and regional level.

We also have changed their selection procedure and added an independent assessment of management skills to the process.

Since the beginning of 2012, we have appointed over 20 FAO Representatives selected through the new procedures.

These positions have been filled with a mix of internal and external candidates, with a view on improving the rotation between Headquarters and the field.

Let me point out as well that I have also built my senior management team in Rome. In 2012, I have appointed over 20 senior managers to positions ranging from the Director-Level to the Deputy Director-General level.

And on this session you will consider my appointment for DDG-Knowledge, Ms Maria Helena Semedo, who has been our Regional Representative for Africa since 2009.

FAO transformational changes, of which I only mentioned a few examples, have been possible because of the trust that has been rebuilt between members and the Secretariat, and because of the constant dedication of a growing number of FAO staff members who are actively engaged in this process.

I am also particularly pleased to note that the last Joint Meeting of the Program and Finance Committees has recommended that Council endorse the Final Management Report on the Immediate Plan of Action Implementation and the FAO Reform Process for approval by Conference.

This will complete an important cycle for FAO, which was the first UN agency to conduct such an extensive Independent External Evaluation.

Ladies and gentlemen,



At this session of Council you will analyze two documents that are key to maintain the momentum of the transformational change we are on.

The first one, the reviewed Strategic Framework defines the five crosscutting strategic objectives and the sixth technical objective that will guide our future work.

The sixth objective was incorporated to reassert our commitment to the public goods that FAO produces, our normative work, analysis, statistics, treaties, agreements and so on.

The Program and Finance Committees have reviewed the Framework and have recommended that Council endorse the document for approval by the Conference.

This Framework is the basis for the second document you will discuss, my proposed Medium Term Plan 2014-2017 and the next Program of Work and Budget 2014/15.

This document presents in very concrete terms how we will translate FAO transformational change into meaningful results.

The Joint Meeting of the Finance and Program Committees undertook productive technical discussions on this document. I look forward to continuing them through this Council and the Conference.

To facilitate your deliberations this week, let me address five important points.

First point: Let me start by saying that for the first time in FAO's history its budget will be driven by the objectives and outcomes we aim to achieve, and not by simply by the activities we carry out.

I also ask you to keep in mind the efforts we have made since January 1st 2012 to deliver best value for money: the unprecedented savings, the overall reduction of established posts and the net increase in decentralized positions.

The program of work and budget you are considering is part of this effort.

Second point: The changes in the organizational structure. We will have a trio of senior managers responsible for the coordination of the main areas of the Organization:

Management of our operations capacity for technical cooperation;

The integrated management of productive natural resources; and,

Economic and social development work.

Also, the communications, partnerships and advocacy function will be separated and strengthened.

Third point: we have identified **four** key areas that need to be reinforced. They include:

First, the Technical Cooperation Program – the TCP;



Second, social protection as it directly relates to Strategic Objective number 3 – reducing rural poverty;

Third, communication, partnerships, advocacy and capacity development; and,

Fourth, the evaluation function.

Allow me to continue my speech in Spanish, as I elaborate a little more on each one of these areas that I mentioned, starting with the TCP.

In the enhanced TCP proposal you approved at last Council, the TCP becomes a more strategic instrument, better integrated with Country Programming Frameworks and linked to our new set of strategic objectives.

We expect this design will help catalyze complementary resource mobilization at country level.

Strengthening the TCP also responds to Conference resolution 9/89 requesting that TCP funding should be restored to 14 percent of the budget and, if possible, reach 17 percent.

Unfortunately, we have moved in the opposite direction since 2002-2003. In that biennium, TCP's received 14.6% of the budget. By 2012-2013 biennium, TCP's receive only 11.5% of the budget.

The 2014-2015 PWB proposal increases TCP funding to 13.1% percent of the budget. This is still below the level requested by Conference, but moving in the right direction.

I am also proposing to increase the Organization's capacity in **social protection**. The reasoning behind this is simple.

FAO's main mission is to eradicate hunger. When FAO was created after World War Two, the main cause of hunger was insufficient food production. Back then, the first and only priority was to increase production.

Today, after an impressive increase in food production, there are still nearly 870 million people who are still chronically undernourished.

The problem now is more complex. The main cause of hunger today is lack of access to food and improving social protection is an effective way to raise the capacity of poor people to buy the food they need.

As such, social protection is an important component of food security and poverty reduction strategies.

Regarding the area of **partnerships, advocacy, and capacity development**, the incremental resources requested will be used for different purposes. Among them:

Setting up a monitoring and evaluation system for partnerships; and,



Generating and sharing knowledge, best practices and lessons learned on partnership models and capacity development.

Strengthening our advocacy capacity, especially with regards to gender, right to food, indigenous people and the Alliance against Hunger and Malnutrition.

Regarding **communication and knowledge management**, the additional resources will be used to:

Improve external and internal communication; and,

Strengthen the dissemination of our publications, assuring greater quality of the material and expanding language coverage.

We are also proposing to enhance our **evaluation function** in line with IPA action 2.78 that determines that the budget of the Office of Evaluation should reach 0.8% of the net appropriation in 2014-2015.

Fourth point: to reinforce these four areas we need 31.5 million dollars, over half of which will go to strengthening the TCP.

But we are not asking you for all this money. We are only asking for 10 million dollars. After taking a hard look at our budget, we found that we can absorb a significant part of this total. We will do this through the reallocation of funds within the current level and through additional efficiency savings.

Therefore, what we are asking of you, in order to implement the work programme based on the results that we have proposed, is a real increase in the budget for the biennium of less than one percent.

And this is a real increase of less than one percent that would follow a decrease of 27% in the real value of the Organization's budget, since the "Zero Nominal Growth" policy was introduced for the 1994-1995 biennium.

This is because although the "Zero Nominal Growth" concept includes the word "growth" in its formulation, it is not really about "growth" but quite the opposite: it means a real reduction of the budget because of the reduction in purchasing power accumulated during the biennium.

We can say that the "Zero Nominal Growth" policy was only broken for the first time during the 35th Conference in 2007, when there was a small real budget growth of 0.1%.

There was also a slight change during the 36th Conference held in 2009, when it was agreed to introduce a "Reform with Growth".

At that time, the real increase was 1.1%, which included 36.4 million dollars for the Immediate Plan of Action.



The 37th Conference held in June 2011 also accepted a slight nominal increase of 0.5% as a positive sign of confidence in the new Director-General elect on the same occasion, although the end result was a reduction in real terms of 2.3%.

Therefore, we are still carrying the heavy legacy left by the years of Zero Nominal Growth on our shoulders, although we can now see with satisfaction that we are moving from a past where there was no confidence in the ability of the Organization to implement the requested reform, to the present day during which bonds of mutual trust and appreciation have been established based on dialogue and transparency.

I am confident that during this Council and the next Conference, the members will be able to find the necessary balance between the internal difficulties that their countries are facing and the need to not continue cutting FAO's budget in real terms.

It is also important to keep in mind that the Conference is set to examine changes in the scale of assessed contributions paid by Member States, which derives directly from the United Nations Scale of Assessments approved by countries in New York.

According to the new scale, seven out of the 10 current major contributors to FAO's regular program budget will see a net reduction in their financial obligations to the Organization in the next biennium, despite the proposed real budget increase.

Divided among FAO's 190 plus Member States, the 10 million dollar increase we are asking for is a small, very small amount.

And at the same time, this very small increase will send a strong sign of your commitment to support to FAO.

In fact, I want to go further. I also want to invite Member States that will see a reduction in their assessed contribution to keep the difference in the Organization.

Through voluntary contributions supporting our strategic objectives or by supporting Junior or Associate Professional Officer Programs that help bring young national talent to FAO, a key recommendation of the IPA for the Organization's human resources management.

I am pleased to inform you that in 2012 we have recruited 15 JPOs and APOs and another 10 should be entering FAO in the next few months.

I would like to mention another issue related to the budget level, that of increasing staff costs.

In 2000-2001, total staff cost represented around 70% of our regular program budget. This reached nearly 75% in the PWB 2012-2013 approved by the last Conference. This is mainly due to decisions taken at the level of the UN common system.

At FAO, I will maintain the same commitment to the responsible management of the organization that I have shown since I took up office. And I am determined to gradually



bringing down the proportion of staff costs versus the services we provide to the members during my mandate.

On this I need your guidance. I would welcome hearing your suggestions and clear guidance on what action should be taken.

Fifth point: as part of the reviewed Strategic Framework, the program of work and budget will introduce a radically new way of working at FAO from 2014 on.

We are already testing the structure and processes which will enable the Strategic Objective Coordinators to work effectively, hand in hand with heads of departments and office, for maximum impact. This will ensure that we are ready to implement the new PWB from January 1st 2014.

To this end, we have strengthened our internal governance mechanism, for example creating a high level Corporate Programme Monitoring Board, the CPMB, that I chair.

In order to bridge the transition from this biennium to the next, we are implementing six Regional Initiatives already in 2013 – one for each region, with two for Africa. Each initiative has a budget of one million dollars, which comes from the Multidisciplinary Fund.

These initiatives are being led by the Strategic Objective Coordinators in close collaboration with the Regional Representatives. The lessons we learn this year on working together across disciplines and locations will be applied to how FAO will work in future.

Ladies and gentlemen,

FAO is adapting to a new context of a globalized world.

Today, there are a number of other key actors involved in food security, agriculture and international development. They include multilateral and regional agencies, civil society and non-governmental organizations, a very dynamic private sector and so on.

That is why it is a priority for me to strengthen the relationship between FAO and its partners.

And I am pleased to note that this Council will consider for approval the FAO strategy for partnerships with the civil society, and the FAO strategy for partnerships with the private sector, as recommended by the last session of the Joint Meeting of the Program and Finance Committees.

I have said it before, and I will repeat it again: I will not be able to do anything except what we can do together.

We have come a long way, but there is a still lot to be done. I am confident that together we can make our dreams reality.

Thank you very much.