



CONFERENCE

Thirty-sixth Session

Rome, 18 – 23 November 2009

Statement of the Director-General

Madam Chair of the Conference,

Mr Independent Chairman of the Council,

Excellencies,

Ladies and Gentlemen,

Seldom in the 65-year-old history of this Organization have two years been as important for global food security. In 2007 and 2008, we have had to deal with urgent pressing demands and also to simultaneously address the longer-term issues and the emerging challenges.

While deeply regretting the recent sharp increase in the number of hungry people to cross the one billion line, I can also draw some satisfaction at what we have achieved.

Main activities during the 2008-09 biennium

Someone told me recently that I have been repeating for 15 years the same things – the need to boost investment in agriculture, the crucial role of water control and the need to support smallholders. “Yes,” I replied, “but the difference is that at last now the leaders of the world seem to realize the importance after the riots of 2007-2008 of what I have been saying along all these years”.

The high food prices, the already discernable signs of global warming and biofuels, among many other things, have brought food security and agriculture to the apex of the international agenda.

A new governance of world food security would increase the prospect of the early and complete eradication of hunger from the face of the Earth.

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While many of us probably hoped to get more concrete commitments in the Declaration of the Summit which ended yesterday, we have achieved some important progress. What counts now is to build on the gained momentum to realize our ultimate goal of a world free of hunger. I should take the opportunity to thank all the Ambassadors and Permanent Representatives who worked long hours to produce a declaration that was approved by consensus. I wish to thank the Chairperson and the Vice-Chairs of the Open-Ended Working Group who led this process diligently. Last, but not least, I would like to express my great appreciation for the hard work of the secretariat and all the staff who made this event a success.

While you have seen the declaration, I would like to highlight a few important elements on which, in my view, we should capitalize.

- One: The firm commitment to meet the MDG-1 and the World Food Summit targets of hunger reduction.
- Two: The commitment to fully implement the reform of the CFS and the support for the creation, within it, of a High-Level Panel of Experts.
- Three: The commitment to reverse the decline in domestic and international funding for agriculture, food security and rural development in developing countries and to substantially increase their share in ODA.
- Four: The decision to promote new investment to increase sustainable agricultural production and productivity, reduce poverty and work towards achieving food security and access to food for all.

All these decisions mean one thing: if we really take the necessary actions and mobilize the needed resources to effectively halve hunger by 2015, and if we carry on with the same drive and determination, then we should be able to totally eradicate hunger from the face of the planet within less than a generation time.

In addition to the Summit, the biennium coming to a close was also marked by two other major events: the “High-Level Conference on World Food Security: the Challenges Climate Change and Bioenergy” organized in June 2008 and the “High-Level Expert Forum on How to Feed the World in 2050” held last month.

The success of both events contributed significantly to our regular programme of work, while raising public awareness and influencing political decisions in favour of agriculture and food security.

In the field, an important programme implemented by FAO was the Initiative on Soaring Food Prices, or ISFP, which has to date provided farmers in 93 countries with assistance in the face of skyrocketing prices that sent not only the cost of food soaring but also that of seeds, fertilizer and other essential inputs. 389 million dollars have been effectively mobilized for ISFP projects, including 37 million USD from FAO’s regular programme resources.

As of October 2009, a total of 1 890 projects were operational, of which 468 were emergency projects. During the biennium 2008-09 (up to October), FAO has delivered in total close to 1.2 billion USD in projects, out of which 632 million USD in emergency operations. The Technical Cooperation Programme accounted for USD 552 million, of which 11.4% provided by FAO and the rest by external resources (87.7% by Trust Funds and 0.9% by UNDP).

FAO’s activities on many fronts in the biennium are of course too numerous to be listed in my address. You will get reports on many of them throughout the session of the Conference. Likewise, reports on the five regional conferences and all the technical committees held in 2009 will be presented to you.

Cooperation with agencies of the United Nations system

FAO has continued to deepen its ties with other UN Agencies with an important recent agreement after two years of intensive consultations on Directions for Collaboration among the Rome-based Agencies. The four pillars of this framework are: i) policy advice, knowledge and monitoring;

ii) operations; iii) advocacy and communication; and iv) administrative matters. Joint action will be pursued at the global, regional, national and local levels, including in the “Delivering as One” pilot countries.

Just last week we finalized, with Board approval from all three agencies, a strategy for intensified cooperation drawing on FAO, IFAD and WFP joint expertise and capacity. This is in fact the culmination of a two-year effort that joins our unique strengths to create a more powerful whole, building on a portfolio of nearly 400 cooperative efforts in more than 70 countries.

Earlier in the biennium, FAO contributed to the preparation of the Comprehensive Framework for Action (CFA) by the UN High-Level Task Force on the Global Food Security Crisis established by the Secretary-General in April 2008, and for which I had the honour to be nominated as its Vice-Chair. The CFA was presented by the Secretary General to the G8 Summit in Hokkaido in July 2008 and to the UN General Assembly in September 2008.

The Programme of Work and Budget 2010-11 and FAO reform

The future capacity of this Organization to address the many challenges ahead will be determined by the important initiatives that have been the focus of our collective attention during this biennium:

- First, the implementation of the Immediate Plan of Action for FAO’s Renewal, where we are moving at full speed to make the Organization more relevant, effective and efficient in fighting hunger;
- Second, the approval and implementation of the Strategic Framework and the proposals in the Medium-term Plan 2010-13 and Programme of Work and Budget 2010-11, where we aim to focus and prioritize the work of the Organization and establish a clear link between the results that need to be delivered and the required resources, also incorporating the reforms in the IPA.

The implementation of the IPA has been a major objective of both Members and the Secretariat since it was adopted by the Special Session of the Conference in November 2008. On my part, it is at the top of my agenda. The reason is self-evident. A renewed FAO will be able to rise to the challenge of the heightened expectations that the world now has for national and international action to address food insecurity. Our collective reform efforts will deliver an Organization that can play its rightful part in helping the international community deliver the commitments made in the L’Aquila Food Security Initiative and at the just-concluded World Summit on Food Security.

We are only at the end of the first year of the five-year period envisaged for the implementation of the IPA but have already completed 56% of the actions planned despite the fact that to date the special trust fund established for the purpose of this programme has received only 8.5 million USD out of an agreed 2009 provisional amount of 21.8 million USD. We have demonstrated that we mean business, not simply through words, but through actions.

Achievements thus far are important. The most important are the introduction of a results-based planning framework and change towards a results-based culture; decentralization and greater delegation of responsibility; organizational streamlining; improved human resources management and more effective governance.

Decentralized offices have played a prominent role in the preparation of the 2010-11 budget proposals. Starting from next January, Regional Offices will have budget and programme oversight responsibility for technical officers in the region and will progressively direct the substantive work of the country offices. Also personnel in decentralized offices are being trained to take on additional responsibility for the Technical Cooperation Programme in 2010.

To facilitate the alignment of our organizational structure to the results framework, a comprehensive restructuring of headquarters was initiated in 2009 for completion in 2012. A key element of this exercise has been a delayering of one third of the Director-level positions to produce a flatter, less hierarchical management structure.

We continue to ensure the efficient use of Member contributions through systematic reform of administrative and management systems. An external Root and Branch Review of our processes and systems, as called for under the IPA, has identified several opportunities to lower the cost and improve the quality and timeliness of administrative services during the next five years.

The new draft Strategic Framework underpins our enhanced results-based approach to planning. It provides the broad principles for action and describes the impact expected to be achieved over a ten-year timeframe. The Strategic and Functional Objectives are the result of dedicated and extensive inter-governmental discussions over the past 18 months.

Therefore, the proposed Medium Term Plan and Programme of Work and Budget embody a serious attempt to link means to ends, that is, to connect resources to results. The new planning framework has allowed us to focus our work on Member's needs. I recognize that we have some way to go in working with Members to set priorities within and among the Objectives, but essential foundations have been laid in the results framework.

The Programme of Work and Budget for 2010-11 presents a comprehensive package of proposals in a new format. It exposes the financial requirements to implement both a biennial programme of work and a substantial set of reforms funded from assessed and voluntary contributions.

In respect of Regular Programme assessments, and taking into account the concept of "reform with growth" advocated as the principal conclusion of the IEE and echoed in the IPA, the Secretariat has faced a dilemma.

On the one hand, FAO should indeed be able to address the range of challenges facing its stakeholders, and highlighted in your declarations, including the need to reverse the unacceptable rise in hunger and malnutrition.

On the other hand, we cannot ignore the detrimental effects of the exceptional financial and economic crisis on FAO's budget discussions.

In that context, efficiency savings could be considered as an important financial ingredient in maximizing FAO's services to Members at minimum cost. Indeed, as requested by Members in the IPA, savings of 17.4 million USD per biennium from delayering are redirected towards FAO's programmes. The Root and Branch Review has provided an expert, evidence-based analysis of the opportunities for further quantified efficiency savings in 2010-11, that has been incorporated in the PWB. I must caution the Membership against the temptation of setting unsubstantiated and unprogrammed efficiency targets for the 2010-11 biennium, which will put at risk the momentum of FAO renewal and its services to Members.

Turning to the specific numbers, the proposed biennial budget for the Net Appropriation is set at 995.9 million USD, representing a 7.1% increase over the current biennium. As previously requested by the Governing Bodies, I have also summarized measures to improve FAO's financial health, liquidity and reserves.

The proposed Net Appropriation reflects an adjustment for cost increases in the Regular Budget which has been examined twice by the governing bodies and is in line with the adjustments proposed by the other UN Rome-based agencies.

In addition, the proposed Net Appropriation includes an increment to meet just over half the revised cost of the IPA in the biennium. In formulating my proposal, I have listened carefully to Members on the need to guarantee funding for IPA implementation, while protecting the programme of work.

While the Council decided to refer to the Conference the discussions on the level of the PWB 2010-11, I welcome the informal consultative process that was initiated through the Friends of the

Chair to bridge gaps on the matter of the budget. I will be guided by your decisions on the strategic direction and budget of the Organization in the coming days.

Conclusion

We naturally could have done better if world agriculture and food security had been given the relevant place in the priorities of the international agenda. We should nevertheless be satisfied by how much has been achieved by Members and the Secretariat. *“If FAO did not exist it would need to be invented,”* the IEE has stated. Well, we are reinventing ourselves and in that creative and challenging process a new and better FAO is emerging.

This Organization now has a rightful place in the chambers and at the tables where the world’s most powerful leaders meet to set the course of global events. FAO’s advice, views, recommendations and warnings are heeded with attention and respect. All this allows a renewed FAO to break new ground in its fight to eradicate hunger, to end poverty and to create a better life for everyone on earth. An FAO that everyone can be proud of.

I thank you for your kind attention and wish you every success in your work.