

Rome, Roma 2004



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

## COUNCIL CONSEIL CONSEJO

Hundred and Twenty-fifth Session • Cent vingt-cinquième session • 125º período de sesiones

Rome, 26 – 28 November 2003  
VERBATIM RECORDS OF PLENARY MEETINGS OF THE COUNCIL

Rome, 26 – 28 novembre 2003  
PROCÈS-VERBAUX DES SÉANCES PLÉNIÈRES DU CONSEIL

Roma, 26 – 28 de noviembre de 2003  
ACTAS TAQUIGRÁFICAS DE LAS SESIONES PLENARIAS DEL CONSEJO



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(26 November 2003)

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# COUNCIL CONSEIL CONSEJO

<p><b>Hundred and Twenty-fifth Session Cent vingt-cinquième session 125° período de sesiones</b></p>
<p><b>Rome, 26-28 November 2003 Rome, 26-28 novembre 2003 Roma, 26-28 de noviembre de 2003</b></p>
<p><b>FIRST PLENARY SESSION PREMIÈRE SÉANCE PLÉNIÈRE PRIMERA SESIÓN PLENARIA</b></p>
<p><b>26 November 2003</b></p>

The First Plenary Meeting was opened at 10.35 hours

Mr Aziz Mekouar,

Independent Chairman of the Council, presiding

La première séance plénière est ouverte à 10 h 35

sous la présidence de M. Aziz Mekouar,

Président indépendant du Conseil

Se abre la primera sesión plenaria a las 10.35 horas

bajo la presidencia del Sr. Aziz Mekouar,

Presidente Independiente del Consejo

## LE PRÉSIDENT

Mesdames et Messieurs, je déclare ouverte la Première Séance de la 125<sup>ème</sup> Session du Conseil. Je souhaite la bienvenue à tous les délégués et voudrais faire une brève annonce avant de commencer nos travaux. Conformément aux paragraphes VIII et IX de l'Article 2 de l'Acte constitutif de la FAO, la Communauté européenne participe à cette Session. J'attire votre attention sur la Déclaration de la Communauté européenne et de ses États Membres qui figure dans le document d'information CL 125/1-6. Je voudrais maintenant passer la parole à Monsieur le Directeur général.

## LE DIRECTEUR GÉNÉRAL

Je voudrais vous remercier, Monsieur le Président, de bien vouloir me donner la parole. Permettez-moi tout d'abord de souhaiter la bienvenue à tous les Membres du Conseil et aux observateurs et leur dire à quel point nous apprécions leur présence ici pour nous aider dans nos efforts, afin d'atteindre les objectifs qui ont été fixés à l'organisation et en particulier de pouvoir contribuer de manière décisive à atteindre l'objectif fixé en 1996 par le Sommet mondial de l'alimentation, objectif reconfirmé en 2002 à l'occasion du Sommet mondial: *cinq ans après*. Je pense qu'au moment où vous discuterez des programmes, donc du budget et des moyens que vous allez mettre à la disposition de l'Organisation pour atteindre des objectifs que vous avez vous-mêmes déterminés, il est bon de rappeler quelques faits fondamentaux.

En 1996, nous avons fixé l'objectif de réduire de moitié, à l'horizon 2015, le nombre de personnes qui ont faim dans le monde. Aujourd'hui, si les tendances persistent, cet objectif sera atteint en 2150 et cela essentiellement parce que les ressources qui devraient aller au secteur de l'agriculture n'ont pas été au rendez-vous. Aussi bien les financements bilatéraux que multilatéraux ont diminué de manière drastique. Le budget de la FAO dans la même période, a lui aussi diminué de manière drastique, entraînant une réduction de trente pour cent des postes de l'Organisation. Il y a souvent beaucoup de discussions et de points de vue chez les économistes mais que je sache, il n'y a pas un seul économiste qui dise que la croissance d'un secteur peut s'avérer si l'on réduit les ressources qui lui sont allouées. Il faut donc être cohérents. Nous ne pouvons, d'une part, vouloir une chose et en même temps son contraire.

Cette Organisation plus que toute autre Organisation de même type dans le Système des Nations Unies a fait les efforts nécessaires afin de diminuer les coûts de fonctionnement pour en même temps se moderniser et être plus près des utilisateurs en développant le processus de décentralisation. Je voudrais rappeler qu'alors que les postes ont diminué de trente pour cent, le personnel dans les bureaux régionaux a doublé et cinq bureaux sous-régionaux ont été créés. De plus, d'une représentation dans à peu près quatre-vingt pays, nous sommes passés à une représentation dans cent trente et un pays grâce à un système d'accréditations multiples et en faisant appel à des agents nationaux dans différents pays. Toutes les grandes conférences internationales y compris le Sommet du millénaire ont souligné la nécessité de lutter contre la pauvreté et de lutter contre la faim dans le monde et la dernière Conférence sur le développement durable, qui s'est tenue à Johannesburg, a mis l'accent sur l'agriculture, l'eau, la santé, les ressources génétiques et la nutrition, étant donné que la nutrition est un élément de la santé. Toutes ces priorités sont parties intégrantes du Programme de l'Organisation, y compris l'énergie si on prend en compte la biomasse puisque quatre-vingt pour cent de l'énergie domestique des pays du tiers-monde provient du bois, du charbon de bois et de la biomasse.

Je pense qu'il faut aussi avoir à l'esprit que la détermination des programmes n'est pas un processus *ex-nihilo*, cela résulte de concertations à différents niveaux et dans le temps. C'est ainsi que les programmes relatifs à l'agriculture sont discutés par le Comité de l'agriculture avec les spécialistes des États Membres, les programmes de pêche sont discutés par le Comité des pêches, les programmes des forêts sont discutés par le Comité des forêts, les programmes liés aux questions de commerce sont discutés par le Comité des produits et les programmes liés à la sécurité alimentaire sont discutés par le Comité de la sécurité alimentaire mondiale. C'est après cette discussion que le programme passe au Comité du programme et leur dimension financière

est discutée par le Comité financier pour pouvoir aboutir à la définition d'un budget. Ce long processus, qui prend pratiquement une année, permet la participation de chaque État Membre au sein des comités techniques de chaque région à travers ses représentants dans le Comité des programmes et des finances et naturellement, chaque membre de ce Conseil, qui dans la période entre deux conférences, est l'organe suprême de l'Organisation. Je pense qu'il était important de rappeler cela alors que nous arrivons au Conseil et à la Conférence. Un travail de fond a été fait sur une période d'une année; toutes les discussions ont porté à la fois sur la pertinence technique des programmes, sur leur adéquation aux objectifs, sur le fait que ces programmes se situent dans le cadre d'une stratégie acceptée par l'ensemble des États Membres et aussi dans le cadre d'un programme à moyen terme accepté par les États Membres. Là aussi, il faut être cohérents.

Nous ne pouvons pas passer deux années de discussions, de négociations pour adopter un cadre stratégique, passer aussi des années à déterminer des programmes à moyen terme, passer une année à discuter le budget et le programme et à la fin ne pas tenir compte de tout ce travail, de toutes ces négociations, de tous ces conseils et de tous ces avis. De même, toute l'activité administrative et financière de l'Organisation a fait l'objet de discussions, de négociations, de rapports d'audits internes et externes et aussi d'avis de consultants, et la conclusion du Comité financier était qu'il fallait renforcer les capacités de gestion financière de l'Organisation. Cela aussi, je pense, il fallait le rappeler.

L'Organisation ne s'est pas contentée de dépendre des contributions au Programme régulier, l'Organisation a fait des efforts pour mobiliser des ressources extérieures et, sur le dernier biennium, les contributions volontaires ont représenté à peu près 600 millions de dollars E.-U., autant que les contributions obligatoires. Cela aussi, je pense, il était bon de le rappeler. Il y a aujourd'hui huit cent quarante deux millions de personnes qui se couchent le ventre creux, il y a aujourd'hui une situation d'injustice sociale et d'exclusion d'une partie de l'humanité des progrès de notre monde et soixante-dix pour cent des pauvres vivent en milieu rural et l'agriculture est pratiquement leur seul moyen d'existence. Et j'ajouterais que la majorité des pauvres des zones urbaines proviennent du milieu rural parce qu'ils ont dû migrer à cause des conditions difficiles d'existence pour eux et leur famille. Ensuite, je pense qu'il est important d'être cohérents, nous ne pouvons pas dans le Système des Nations Unies avoir d'un côté des institutions dont le budget augmente et, une fois que le budget a augmenté, on leur applique une Croissance Zéro, et des institutions qui ont pris sur elles de diminuer déjà leur budget, de faire des efforts d'austérité, de réorganisation, de restructuration, d'efficacité et d'efficacités et à qui l'on demande aussi de faire le travail avec un budget à Croissance Zéro.

Cela ne signifie pas la même chose. Dire à quelqu'un qui a bu, « vous pouvez rester plusieurs heures sans boire » et dire à quelqu'un qui a soif, « vous pouvez rester plusieurs heures sans boire », ce n'est pas la même chose. Je pense qu'il est donc important que l'on se rappelle des enjeux, les enjeux, c'est la lutte contre la faim, c'est une plus grande justice, c'est la paix sociale parce qu'il ne peut pas y avoir de paix et de sécurité dans le monde quand plus de 800 millions de personnes meurent de faim. Et je pense aussi que, de temps en temps, il faut rappeler les chiffres pour avoir des ordres de grandeur, nous parlons d'un budget de la FAO de l'ordre de 650 millions de dollars E.-U., l'aide au développement à l'agriculture représente annuellement 8 milliards de dollars E.-U. Nous parlons de 650 millions de dollars E.-U. par biennium, alors que le soutien à l'agriculture sous diverses formes représente 318 milliards de dollars E.-U. par an. Voilà les ordres de grandeur et de plus, il convient aussi d'avoir une vue historique des choses.

Il y a dix ans, en novembre 1993, un budget de 673 millions de dollars E.-U. a été adopté pour une Organisation de cent soixante-neuf États-Membres. Maintenant, nous discutons pour savoir s'il faut avoir un budget de 651 millions de dollars E.-U. pour une Organisation qui, avec l'adhésion de quatre pays membres, va compter cent quatre-vingt huit États-Membres. Il n'y a pas d'inflation dans notre monde ? Il n'y a pas d'augmentation de coût dans notre monde ? Il n'y a pas d'augmentation et d'ajustement des salaires dans le Système des Nations Unies? Mais dans quel monde vivons-nous? Je pense que ce sont là les enjeux, ce sont là les défis, ce sont là les réalités, ce sont là des faits et les faits ont le privilège d'être têtus. Je pense qu'il était de mon devoir de Directeur général de rappeler ces éléments avant que vous ne preniez les décisions que vous

considérez comme de l'intérêt et des 842 millions de personnes qui ont faim et de cette Organisation que vous avez créée pour qu'elle assume de manière effective les responsabilités que vous lui avez confiées. Je vous remercie de votre aimable attention.

## **I. INTRODUCTION - PROCEDURE OF THE SESSION**

### **I. INTRODUCTION – QUESTIONS DE PROCÉDURE**

### **I. INTRODUCCIÓN - CUESTIONES DE PROCEDIMIENTO**

**1. Adoption of the Agenda and Timetable** (CL 125/1; CL 125/1-Add.1;  
CL 125/INF/1; CL 125/INF/6)

**1. Adoption de l'ordre du jour et du calendrier** (CL 125/1; CL 125/1-Add.1;  
CL 125/INF/1; CL 125/INF/6)

**1. Aprobación del programa y el calendario** (CL 125/1; CL 125/1-Add.1;  
CL 125/INF/1; CL 125/INF/6)

## **LE PRÉSIDENT**

Merci, Monsieur le Directeur général. Nous allons passer au premier point de l'Ordre du jour: Adoption de l'Ordre du jour provisoire et du Calendrier de la session, tel que présenté sur les documents CL 125/1, CL 125/1 Add.1 et CL 125/INF/1. En ce qui concerne l'ordre du jour, j'attire votre attention sur le document CL 125/1 Add.1. Ce document contient le sous-point 10.3, Composition du Comité financier, qui a été ajouté à l'Ordre du jour provisoire sur proposition de l'Indonésie, du Japon, des Philippines, du Sri Lanka et de la Thaïlande au nom du Groupe Asie de la FAO et en tant que Membres du Conseil. J'aimerais aussi vous informer que le Directeur général a reçu une demande d'admission en qualité de Membre de l'Organisation de l'Ukraine. Cette demande sera examinée au point 16.2 de l'Ordre du jour provisoire, demande d'admission à la qualité de Membre de l'Organisation. Je voudrais savoir s'il y a des commentaires sur cet ordre du jour. Non? Très bien. On peut donc considérer que l'Ordre du jour de la session avec les précisions que je viens de donner est adopté, n'est ce pas? Oui? Très bien, l'Ordre du jour est adopté.

*Adopted*

*Adopté*

*Aprobado*

Le Calendrier provisoire de la session se trouve dans le document CL 125/INF/1. Il est proposé que le sous-point 10.3, Composition du Comité financier, soit examiné jeudi après-midi, immédiatement après le sous-point 10.2. Le calendrier proposé avec la modification que je viens de mentionner est-il approuvé par le Conseil? Oui? Merci. Le Calendrier de la session est adopté. Je profite de cette occasion pour en appeler à votre coopération afin que soient respectés nos horaires de travail et pour que nous commencions nos réunions à l'heure. Je me permets d'attirer votre attention sur le document CL 125/INF/4 qui fournit les informations nécessaires sur les méthodes de travail du Conseil et sur le document CL 125/INF/7 qui porte sur l'application des décisions prises par le Conseil à sa cent vingt-quatrième session.

**2. Election of three Vice-Chairpersons, and Designation of the Chairperson and Members of the Drafting Committee** (CL 125/INF/9)

**2. Élection de trois Vice-Présidents et nomination du Président et des Membres du Comité de rédaction** (CL 125/INF/9)

**2. Elección de tres Vicepresidentes y nombramiento del Presidente y los miembros del Comité de Redacción** (CL 125/INF/9)

Nous allons passer à présent au point 2 de l'Ordre du jour, Election des trois Vice-Présidents et nomination du Président et des Membres du Comité de rédaction. Après consultation avec les groupes régionaux, nous disposons des propositions suivantes pour les trois postes de Vice-Présidents du Conseil. M. Blair Hankey du Canada, M. Govindan Nair de l'Inde et M. Ngoni Masoka du Zimbabwe. Y a-t-il des objections? Je voudrais alors féliciter les trois Vice-Présidents pour leur élection. En ce qui concerne le Comité de rédaction du Conseil, les Groupes régionaux



ont proposé Mme Claire Gaudot, Conseiller scientifique, Représentant permanent adjoint auprès de la France, comme Président et Son Excellence Monsieur Philippe Lhuillier, Ambassadeur, Représentant permanent des Philippines comme Vice-Président. Les délégations suivantes ont été proposées comme Membres du Comité: Royaume de l'Arabie Saoudite, Australie, Bolivie, Burkina Faso, Canada, France, Indonésie, République islamique d'Iran, Italie, Japon, Pérou, Philippines, Suisse, Swaziland. Y a-t-il des objections? Très bien, la composition du Comité de rédaction a été adoptée. Le sous-point 10.1 de l'Ordre du jour concerne l'invitation des États non-membres à assister à la réunion de la FAO.

*Applause*

*Applaudissements*

*Aplausos*

#### **SECRETARY-GENERAL**

A request was received from the Russian Federation to attend this Council Session in an observer capacity and an invitation was issued on the 6<sup>th</sup> of November 2003 subject to approval by the Council. Council approval is sought to admit the Russian Federation as an observer at its Hundred and Twenty-fifth Session.

#### **LE PRÉSIDENT**

Est-ce que le Conseil est d'accord pour que la Fédération de Russie assiste à cette session en qualité d'observateur? Oui? Pas d'objection? Très bien, il en est ainsi décidé. La délégation de Russie est la bienvenue parmi nous.

#### **IV. CONSTITUTIONAL AND LEGAL MATTERS**

#### **IV. QUESTIONS CONSTITUTIONNELLES ET JURIDIQUES**

#### **IV. ASUNTOS CONSTITUCIONALES Y JURÍDICOS**

#### **9. Report of the 75th Session of the Committee on Constitutional and Legal Matters (Rome, October 2003) (CL 125/5)**

#### **9. Rapport de la soixante-quinzième session du Comité des questions constitutionnelles et juridiques (Rome, octobre 2003) (CL 125/5)**

#### **9. Informe del 75º período de sesiones del Comité de Asuntos Constitucionales y Jurídicos (Roma, octubre de 2003) (CL 125/5)**

#### **LE PRÉSIDENT**

Mesdames et Messieurs, passons à l'examen du Point 9 de l'Ordre du jour, intitulé Rapport de la soixante-quinzième session du Comité des questions constitutionnelles et juridiques. Le document relatif à ce point porte la référence CL 125/5. Je vous prie de noter qu'il existe une version révisée de ce document pour le français uniquement. Il s'agit du document CL125/5-Rev1. Par ailleurs, des corrections ont été apportées à la version espagnole que vous trouverez dans le document CL 125/5 Corr.1. J'attire notamment votre attention sur les annexes de ce document. Elles contiennent les projets de résolution qui seront soumis à la Conférence. J'aimerais par ailleurs souligner que les parties 7 et 8 du Rapport du Comité sur la mise en recouvrement fractionnée des contributions et sur la budgétisation des investissements font l'objet des sous-points 8.3 et 8.4 de notre Ordre du jour. Conformément à notre calendrier de travail, ces deux sous-points seront examinés cet après-midi. M. Adam Maïga Zakariaou, Président du Comité des questions constitutionnelles et juridiques va maintenant présenter le Rapport du Comité.

#### **Adam Maïga ZAKARIAOU (Président du Comité des questions constitutionnelles et juridiques)**

Excellences, Mesdames et Messieurs les Ministres, Excellences, Mesdames et Messieurs les Ambassadeurs et Représentants permanents, c'est pour moi un honneur et un privilège de présenter à cette auguste assemblée le Rapport de la soixante-quinzième session du Comité des questions constitutionnelles et juridiques. Mais, avant de procéder à cet exercice, qu'il me soit permis de m'acquitter d'une agréable tâche, celle de remercier une fois de plus tous les Membres

du Comité pour la confiance qu'ils ont bien voulu m'accorder en me portant unanimement à la Présidence de notre Comité. Il va sans dire que cette marque de confiance n'est pas un mérite personnel mais surtout celui de mon pays, le Niger et, à travers le Niger, toute la Région Afrique que j'ai l'honneur de représenter au sein dudit comité. Je fonde l'espoir qu'avec le soutien de tous ses membres, le Comité des questions constitutionnelles et juridiques saura s'acquitter de la noble tâche qui est la sienne.

Ceci dit, après les précisions apportées par le Président indépendant du Conseil, la soixante-quinzième session du Comité des questions constitutionnelles et juridiques s'est tenue les 6 et 7 octobre derniers afin d'examiner les points inscrits à son ordre du jour à savoir: Accord de coopération entre la FAO et l'Office international des épizooties, Accord de coopération avec l'Organisation internationale pour le développement des pêches en Europe centrale et orientale EUROFISH, le nombre et la durée du mandat du Directeur général, l'exécution nationale des projets d'assistance technique et je souligne les deux points qui seront présentés cet après-midi avec le point 8.3 du Rapport du Comité financier à savoir la mise en recouvrement fractionnée des contributions, la budgétisation des investissements.

Les deux premiers points de l'ordre du jour peuvent être combinés en ce sens qu'ils traitent tous d'accords de coopération entre la FAO et des organisations internationales. Il s'agit d'une part du Projet d'accord entre la FAO et l'Office international des épizooties et d'autre part le Projet d'accord avec l'Organisation internationale pour le développement des pêches en Europe orientale et centrale EUROFISH.

Le Comité a passé en revue les deux projets d'accord et a estimé qu'ils étaient juridiquement conformes à l'Article XIII de l'Acte constitutif de la FAO ainsi qu'à la Résolution 69/59 de la Conférence sur les principes directeurs applicables aux Accords de coopération entre la FAO et les organisations intergouvernementales. Le Comité a aussi recommandé que les deux projets d'accords soient soumis à la présente session du Conseil pour approbation puis à la Conférence pour confirmation. Le troisième point examiné par le Comité concerne le nombre et la durée du mandat du Directeur général. A ce propos, un rappel a été fait des différentes décisions prises par le Conseil en amont, notamment par la cent vingt-quatrième session, tenue du 23 au 28 juin derniers et qui avait accepté le rapport du Groupe des Amis du Président et avait convenu de transmettre à la soixante-quinzième session du Comité des questions constitutionnelles et juridiques la proposition d'amendement à l'Article VII.1 de l'Acte constitutif, stipulant que, je cite: «le Directeur général est nommé pour un mandat de six ans, renouvelable une seule fois pour quatre ans», accompagnée notamment du rapport du Groupe des Amis du Président.

Sur l'aval de ces décisions et compte tenu du rapport du Groupe des Amis du Président, le Comité a procédé à un examen minutieux de l'amendement proposé de l'Article VII.1 de l'Acte constitutif. A la suite de cet examen, le Comité a convenu que, pour se conformer au libellé actuel de l'Article VII.1 de l'Acte constitutif, la version révisée de cet article devait se lire comme suit: L'Organisation a un Directeur général nommé par la Conférence pour un mandat de six ans. Il n'est rééligible qu'une seule fois pour un mandat de quatre ans. Le Comité a également examiné le projet de Résolution de la Conférence concernant cette proposition de révision de l'Article VII.1 et a recommandé qu'il soit transmis à la Conférence par l'intermédiaire du Conseil. Le quatrième point examiné par le Comité est relatif à l'exécution nationale des projets d'assistance technique. L'examen de ce point a été rendu nécessaire à la suite de certains changements survenus au cours des dernières années, qui ont modifié les conditions de mise en œuvre des projets d'assistance technique dans un nombre croissant de pays. En effet, au fur et à mesure que ces pays augmentent leurs propres capacités techniques et administratives, ils se tournent plus que par le passé vers l'exécution nationale des projets comme modalité préférée de mise en œuvre desdits projets.

Dans ce contexte, le Comité des questions constitutionnelles et juridiques a noté que la cent deuxième session du Comité financier avait approuvé une proposition d'amendement au règlement financier. Après examen de ladite proposition d'amendement, le Comité des questions constitutionnelles a recommandé que le projet de Résolution de la Conférence soit transmis au Conseil pour soumission à la Conférence aux fins d'examen et d'adoption. Les points 5 et 6 feront

l'objet d'une présentation ultérieure. Le dernier point 7, soumis au Conseil pour information est le point qui a été examiné par le Comité des questions constitutionnelles et concerne la reconnaissance de conjoints ayant contracté un mariage entre personnes du même sexe. Ce point est présenté pour information comme je disais tout à l'heure. Le Comité l'a examiné et a estimé qu'il était étroitement lié à celui des partenariats enregistrés. Ainsi, le Comité a noté que ces deux questions étaient examinées activement dans tout le Système des Nations Unies. Il a donc recommandé que la FAO suive de près les débats sur cette question au sein du Système des Nations Unies, afin d'arriver à une position commune à cet égard. Le Comité a demandé de le tenir informé de l'évolution des débats en la matière. C'est là, en attendant le débat à la présentation de cet après-midi, les points examinés par le Comité des questions constitutionnelles et juridiques à sa soixante-quinzième session.

**Ms Anna BLEFARI MELAZZI (Italy)**

I am speaking on behalf of the European Community and its 15 Member States, the ten acceding countries to the EU associate themselves to this statement.

We took note of the Report of the last Session of the Committee on Constitutional and Legal Matters, which took place in October and we would like to thank the members of this Committee for the work achieved. This Committee examined a number of draft resolutions to the Conference and amendments to the FAO Constitution of great importance for the Organization, recognizing their conformity with the Constitution. The European Community and its Member States, therefore, fully endorse the Report of the Seventy-Fifth Session of the Committee on Constitutional and Legal Matters.

**Flávio MIRAGAIA PERRI (Brazil)**

It is only to draw the attention of the Council that Appendix V, dealing with two different draft resolutions, depends on the debate to be held later on and so I understand that we are not taking any decision about those two draft resolutions included in Appendix V.

**James BUTLER (United States of America)**

The United States will address draft resolution of Appendix V of the Report of the Committee on Constitutional and Legal Matters to amend the regulation V of the Financial Regulations regarding Split Assessments.

The United States has consistently disliked Split Assessments because they are complex and difficult to use effectively. The issue is not whether the FAO uses dollars or euros, the problem is with the mechanism. Nevertheless, if there is a consensus among Members to adopt a system of split assessments, the United States will not object. I wish to underscore that adopting a system of Split Assessments cannot prejudge the overall size of the budget. The adoption of the Programme of Work and Budget is a political and financial decision taken by Members. The United States does not support the manner in which the draft resolution would implement Split Assessment payments; specifically paragraph 5.6 in the draft resolution states "unless amounts assessed are received simultaneously and fall in full currencies in which they are assessed, credit for any partial payment shall be given against contributions due in the proportion to the amounts assessed in both currencies". Also in paragraph 5.6 "the exchange rates applicable to partial payments or payment in other currencies as described in this paragraph, shall be the market rate of the euro and the United States Dollar to the currency of payment on the first business day in January of the calendar year in which the contribution is due, or the rate in effect on the day payment is made, whichever is more favourable to the Organization."

The methodology proposed by the draft resolution shifts all the benefits of currency fluctuations to the Organization and all of the rest to Member Nations. FAO Members could end up paying more than the Dollar or Euro amount which they were originally assessed because of a decline in either the dollar, the euro or their own currency.

The United States cannot accept the draft proposal for handling Split Assessments which would give FAO options for different exchange rates on different dates. Any system of Split Assessment

must be transparent and must not give the Organization licence to further shift exchange rate risk to the Members. A transparent Split Assessment would assess Members any predetermined amount of dollars and euros and Members would pay those amounts. The amounts owed by Member Nations would not fluctuate.

The United States does not support the adoption of the draft resolution, Appendix V in its current form.

### **LE PRÉSIDENT**

Avant de passer la parole au délégué de l'Australie, je voudrais tout de même spécifier qu'il ne s'agit pas ici d'adopter la Résolution concernant le recouvrement fractionné, car celui-ci fera l'objet cet après-midi d'une discussion et il s'agira du point 8 de l'ordre du jour. Nous aurons à ce moment là tout loisir de discuter et de débattre du recouvrement fractionné. Il s'agit simplement ici d'adopter le Rapport du Comité des affaires constitutionnelles, qui est chargé uniquement des questions de formulation et des questions qui ont trait à savoir s'il y a un problème avec la réglementation de notre Organisation. Je pense que si les délégations, qui souhaitent prendre la parole sur la substance et sur les questions ayant trait au recouvrement fractionné, n'interviennent en prenant la parole que cet après-midi, cela nous éviterait un débat. Il s'agit là simplement d'adopter le Rapport du Comité des affaires constitutionnelles qui n'a traité que des questions purement juridiques et pas de la substance.

### **Brett HUGHES (Australia)**

I agree with your comments in terms of taking up the substance of this later in the day. My intention was simply to indicate that given that the substance of this issue is still up for debate, obviously endorsement of any legal regulatory changes is subject to the outcome of those discussions, and therefore no endorsement in that area could be accepted at this point.

### **Ángel SARTORI ARELLANO (Chile)**

Me quiero referir a este tema puesto que en la reunión previa sostenida hoy en la mañana, en mi calidad de Presidente del Grupo de América Latina y el Caribe, hicimos ver este punto y reconocimos sugerencias en el sentido de posponer para la tarde el análisis de este tema, concretamente, la asignación de cuotas en dos monedas, previo análisis pormenorizado; por lo tanto solicitamos esta observación que usted ha manifestado en los términos que nosotros habíamos pedido.

### **Mrs Mary Margaret MUCHADA (Zimbabwe)**

We are aware that there are many issues that are still up for debate, but what we are looking at is the fact that the Legal Committee has been dealing with the legal aspects of the very topics we have been discussing in this room and they have merely presented those to us for our noting, and we are satisfied with the report that was presented in this respect, realizing that the substance will be dealt with later. So, for us, we endorse the Report that has just been tabled by the Constitutional Committee.

### **LE PRÉSIDENT**

Y a-t-il d'autres intervenants? Je considère que nous avons adopté le Rapport du Comité des affaires constitutionnelles et ceci conclut le Point 9 de l'Ordre du jour étant entendu que la question avait trait au recouvrement fractionné .

*Adopted*

*Adopté*

*Aprobado*

### **Flávio MIRAGAIA PERRI (Brazil)**

I apologise for asking for the floor again, but I understand that this report is in part adopted. We had the point you made about the split assessment to be discussed later on, that is my understanding.

**II. ACTIVITIES OF FAO**  
**II. ACTIVITÉS DE LA FAO**  
**II. ACTIVIDADES DE LA FAO**

**4. Preparations for the Thirty-second Session of the FAO Conference (Recommendations to the Conference)** (C 2003/12; C 2003/12-Sup.1)

**4. Préparatifs de la trente-deuxième session de la Conférence de la FAO (Recommandations à la Conférence)** (C 2003/12; C 2003/12-Sup.1)

**4. Preparativos para el 32º período de sesiones de la Conferencia de la FAO (Recomendaciones a la Conferencia)** (C 2003/12; C 2003/12-Sup.1)

**LE PRÉSIDENT**

Ceci conclut le Point 9 de l'ordre du jour et nous passons au Point 4 de l'ordre du jour. Ce Point 4 est intitulé "Préparatifs de la trente-deuxième session de la Conférence de la FAO (Recommandations à la Conférence)". Les documents pertinents sont les documents C 2003/12 et C 2003/12 Sup.1. Comme vous le savez, à sa cent vingt-quatrième session le Conseil a décidé que trois tables rondes seraient réunies pendant la session de la Conférence, les 1<sup>er</sup>, 2 et 3 décembre 2003. Le Conseil a confié leur organisation au Secrétariat de la Conférence et au Conseil.

J'ai été informé par le Secrétariat que les Membres de l'Organisation ont montré un intérêt considérable pour ces tables rondes. Afin de répondre au grand nombre de demandes, les deux propositions suivantes sont soumises au Conseil. Premièrement, dans la mesure des places disponibles, chaque table ronde sera ouverte à tous les Membres de l'Organisation qui souhaitent y participer, cela signifie que chaque membre pourra participer à une, deux ou trois tables selon ses choix. La seule restriction est la suivante: chaque Membre de l'Organisation ne pourra être représenté que par son Chef de délégation qui ne pourra lui-même être accompagné que d'un seul conseiller. Deuxièmement, comme un nombre particulièrement élevé de pays souhaitent participer à la table ronde No. 2 sur l'évolution des négociations de l'OMC relatives à l'agriculture et leur incidence sur la sécurité alimentaire, et notamment les travaux de la FAO, il est proposé d'augmenter la durée de ces tables rondes, elles dureraient 3 h 30 afin de permettre à tous les participants de prendre la parole. Pour ce faire, la séance plénière de l'après-midi 2 décembre pourrait commencer à 14 heures au lieu de 14 h 30 et être levée à 16 heures au lieu de 17 h 30. De cette façon la table ronde pourrait commencer à 16 h 15 et se prolonger jusqu'à 19 h 45. Je souhaiterais avoir des commentaires sur ces propositions.

**Flávio MIRAGAIA PERRI (Brazil)**

I would like to address the issue of the organization of round tables. At its Hundred and Twenty-Fourth Session in June 2003, the Council adopted a decision recommended by the Joint Meeting of the Programme and Finance Committees on the organization of three round tables during the next Session of the Conference. The decision was taken on the basis of paragraphs 17-22 of document CL 124/4 which refers to document JM 03.1/4. Paragraph 12 of document JM 03.1/4 recalls the ground rules adopted by the round tables held during the World Food Summit: five years later, which were further summarized in paragraph 21 of document 124/4. The language adopted by the Council emphasizes that there should be flexibility in the number of participants among other recommendations contained in paragraph 21 of document CL 124/4 which conveys the spirit of the decision.

Subsequently, however, document C 2003/12-Sup.1 prepared for the forthcoming Conference interpreted those recommendations and decisions in a much more restrictive way, as we may read in paragraphs 4, 5 and 6, dealing with attendance and Chairs. Brazil understands that the attendance to governmental meetings dealing with matters of general interest during the Conference should be open to all delegations. In my capacity as the Brazilian Permanent Representative to FAO, I consider of particular relevance to draw the attention of delegations to round table two which is to discuss developments in WTO negotiations on agriculture, and the implication for food security including the work of FAO. All delegations present to the Conference know the importance of such a debate. In those circumstances I wish to propose that

the interpretation given to the General Rules be modified in order to allow at least one member of each delegation to the Conference to attend any of these three round tables without the right to intervene in the debate. This attendance should be facilitated if the Round Table be organized either in one of the main conference rooms at FAO's headquarters or a closed circuit video system be installed for that purpose.

**Ms Anna BLEFARI MELAZZI (Italy)**

I am speaking in my quality of Italian Government representative, since Minister Alemanno, the Minister of Agriculture, is co-chairing Round Table Two and the proposal to lengthen the Round Table has just been submitted to delegations only recently, I informed him of this possibility and I just learned that he is willing to participate, to co-chair the round table even if the length has been increased and on this point he will accept the majority decision.

Insofar as the new rules concerning the Round Table are concerned, and insofar as the proposal of the Brazilian representative is concerned, you know that we have in the European Union—and here I am speaking as the President in-turn of the European Union—we have some rules and regulations and we have to consult, so I would ask you to delay a decision on this point to the afternoon when I will have the time to consult my colleagues of the European Union.

**Gabriel G. LOMBIN (Nigeria)**

I would like to fully endorse the position taken by the other speakers with respect to the modification of the terms under which other members who wish to attend all the Round Tables may do so. Surely this has been the position of my Government.

My concern, however, if my memory does not fail me that during the Hundred and Twenty-fifth Session of the Council, the Council mentioned that the timing of that Round Table was a little inappropriate in terms of the amount of work we do during the day. Starting at 17:30 hours, when we are already exhausted, I was not sure whether they would get the best out of the membership during such discussions. I remember this point was discussed slightly and it was indeed endorsed and carried in the official Report of the Council. It would appear that although the Council did discuss some budgetary items, they came to a conclusion, but that was ignored. The same original time the Secretariat proposed is the same as it now is 17:50 hours. One would want to know was there any compelling reason that the Secretariat had, after the Council Session, that made it impossible for them to agree to the request made by Council, and, if so, was it communicated to Council? Otherwise, it amounts to a little bit of an embarrassment for some of us when we have to communicate that kind of decision made to Government and our delegation is prepared in that light only to be told that the original submission of the Secretariat stands.

**Ángel SARTORI ARELLANO (Chile)**

Perdone que reitere mi planteamiento de la reunión que tuvimos hoy en la mañana con usted y los grupos regionales. Ésta fue una observación que hicimos en representación del GRULAC respecto a la posibilidad de ampliar la asistencia a esta Mesa Redonda. Como comprenderán, esta es una mesa redonda sustantiva, relevante; nos interesaría la mayor participación. En la reunión que menciono se me explicó que el período de sesiones de esta Mesa Redonda se ampliará, lo cual creo que apunta a lo que nosotros pretendíamos; sin embargo, apelo también a su gestión a fin de poder extender la asistencia a la misma.

**Mrs Mary Margaret MUCHADA (Zimbabwe)**

As Chile, we do share the same problem in our region. We appreciate the extension we have been given to the time but we would also have appreciated a consideration of expanding the participation because we know reports are going to be given but I do not suppose someone making a ten, fifteen minute report is going to articulate what will have been discussed in three and a half hours.

The issue of trade is of interest to many of us and we would really appreciate it if the Secretariat would find a way of expanding the opportunity for participation to others. At least listening in so that at least they know the exact content of the debate that is going on.

### **LE PRÉSIDENT**

Je pense que nous allons avoir quelques consultations encore cet après-midi.

### **SECRETARY-GENERAL**

The Secretariat of course will reply on the issues of the logistics and the feasibility of rooms and space and timing. You will recall that the Joint Meeting had agreed to certain principles. The principle of interaction primarily to allow a different format so that people could actually share ideas rather than make statements. That was one of the principles that the Joint Meeting had underlined and that the previous Council had also underlined.

Secondly, the principle of flexibility in the number of participants was underlined. There should be balanced participation so as to differentiate what happens there and what happens in other round tables. There should be flexibility regarding the level of participation. These were the principles that guided the logistics of the planning of the Round Tables.

We are also constrained by the availability of space and the suitability of rooms. For that reason, we use the same room, but the same size as the Round Tables in the World Food Summit, you will recall – five years later, which can accommodate a limited number of people at the table and a limited number of people around the round table itself. That is the reason we have organized it in this particular way. We are pleased to see that the round tables have attracted considerable interest particularly Round Table Two. I think all of us are very much surprised at that and it gives us pleasure that there is so much interest in participating.

Just to say to Nigeria that there was very serious consideration given to the time. I hope that you do not feel that we ignored. We considered very carefully the time and in the interest of Members participating fully in the Plenary we arranged the timing such that there would not be a conflict. For that reason the evening time was agreed. It was also agreed by the Joint Meeting and endorsed subsequently.

We have asked for some flexibility today in advancing the time so that we can have longer discussions in the specific Round Table which is currently over subscribed.

The members have asked for consideration of a different format, if I have understood correctly. You have asked the Secretariat to consider no longer round tables but a different format because having larger participation would of course require a different format. On that we would have to be guided by you. The fact is that due to the size of the room, if we want to have a Round Table, there is actually limitation in the number that can be accommodated in that particular room. If we wish to have full participation, open participation, we are asking not for a round table any more but for a different format. I think that is what we would have to discuss.

We have already accommodated all the people who have currently registered in the three Round Tables. Only the second Round Table is oversubscribed but up until this point those who have currently registered can fit in the room therefore, all those who have currently registered for Round Table Two can be accommodated. One Head of Delegation and an advisor can currently be accommodated in Round Table Two.

To summarize, we followed very carefully the guidance given to us by the Joint Meeting. We have currently accommodated in Round Table format everyone who is currently registered, every Head of Delegation currently registered, plus an Advisor.

We do have a constraint of space in the room itself and of course, in the format; because if we change the room, we change the format and we would have to give up one of the principles endorsed by the Joint Meeting. We did recognize that there is a time constraint we did not want a conflict with the Plenary. There is also a resource issue because you will recall that the Joint Meeting and the Council asked us to do this exercise at almost cost neutral.

We were only allowed to spend so much money and in fact the item has consistently been treated on the savings and efficiency in Governance. That is the item on the agenda under which the Round Tables have been treated. Therefore, we were careful not to incur significant additional expenses.

**Flávio MIRAGAIA PERRI (Brazil)**

I apologize for taking the floor again, but I insist on the importance of having people different from those who are to debate in a table be it round, square, it does not depend on the format at all. But people different from those who are to be part of the debate assisting at the debate and that was my proposal. Therefore, I do not see any trouble, for instance, in transferring the room for this Plenary. Then, you could put all those delegations that are to debate in the front row and then others in the rear and we will be assisting at the debate. The idea is the substance not the format. I stress that I do not have to repeat the reasons why I think it is important to change the rules.

**LE PRÉSIDENT**

Si je comprends bien, M. l'Ambassadeur du Brésil, vous suggérez qu'il y ait des délégations qui participent à la table ronde activement et d'autres qui y assistent simplement. Je parle des pays qui assisteraient et des pays qui participeraient. Très bien. Donc finalement, le format resterait le même sauf que l'assistance serait différente? Pratiquement? Et bien écoutez je crois que l'on prendra une décision définitive.

**Mohammad Saeid NOORI-NAEINI (Iran, Islamic Republic of)**

My proposal is that whatever changes that you make for this Round Table Two please extend it to other round tables as well because there might be the same problem with the others. People might want to participate, sit there and listen.

**Mme Anna BLEFARI-MELAZZI (Italie)**

M. le Président, je voudrais simplement vous rappeler que toute la session doit être conditionnée à la possibilité que l'Union Européenne puisse se consulter entre ses Membres et que je puisse consulter les Membres de l'Union Européenne en ma qualité de Président du Conseil des ministres.

**LE PRÉSIDENT**

Oui, Madame l'Ambassadeur, c'est pour cela que je propose que nous prenions une décision définitive cet après-midi peut-être. Est-ce que tout le monde agrée à ma proposition? Il semble que oui. Très bien. Et bien écoutez, on reparlera de cette question cet après-midi. Nous allons passer maintenant au point 4.1: Nomination du Président de la Conférence et des Présidents des commissions de la Conférence. Conformément à l'Article XXIV.5 du Règlement général de l'Organisation, le Conseil propose des candidats à ces postes et les soumet à la Conférence qui décide.

Après la dernière session du Conseil, tenue en juin 2003, et suite aux consultations entre les groupes régionaux, il est proposé que son Excellence M. Jim Sutton, Ministre de l'Agriculture et des Forêts de la Nouvelle-Zélande soit nommé au poste de Président de la Conférence, Mme Hedwig Wögerbauer, Chef de la Division des Affaires de la FAO au Ministère de l'agriculture, des forêts et de l'environnement et de la gestion de l'eau de l'Autriche soit nommée au poste de Vice-Président de la Commission I et son Excellence M. Mohammad Saeid Noori-Naeini, Ambassadeur représentant permanent auprès de la République islamique d'Iran auprès de la FAO soit nommé au poste de Président de la Commission II.

Le Conseil approuve-t-il ces propositions? Oui? Je vois qu'il y a approbation, c'est très bien. Je pense que nous pouvons applaudir ces propositions. En ce qui concerne le point 4.2, nous allons passer à la nomination des trois Vice-Présidents de la Conférence. Suite aux consultations entre les groupes régionaux, les trois personnes ci-après sont proposées à ces postes: son Excellence M. Michael Odevall de la Suède, son Excellence M. Boaventura Nuvunga, Ministre de l'Agriculture du Mozambique et le GRULAC ne nous a pas encore donné le nom de son représentant, donc



nous attendons du GRULAC qu'il nous fasse cette communication. M. l'Ambassadeur du Chili, avez-vous déjà un nom?

**Ángel SARTORI ARELLANO (Chile)**

Espero poder comunicar con una serie de representantes de países de América Latina y el Caribe sobre aquellas posiciones que todavía no están completas. Tenemos una reunión hoy a las 13.00 horas con el propósito ya señalado. Espero poder transmitirlo a la brevedad.

### **LE PRÉSIDENT**

En ce qui concerne les autres, je pense qu'il n'y a pas d'objection, nous attendons donc le GRULAC pour la désignation de son représentant à la vice-présidence de la Conférence. Nous allons passer au Point 4.3., Nomination de sept membres du Bureau de la Conférence. Il résulte des consultations entre les groupes régionaux que les sept États Membres ci-après sont proposés à ces postes: Australie, Chine, Émirats Arabes Unis, Grèce, Soudan, États-Unis d'Amérique et les pays du GRULAC. Le nom du représentant du GRULAC sera communiqué cet après-midi par l'Ambassadeur du Chili. Le Conseil approuve-t-il ces propositions? Très bien, il en est ainsi décidé et ceci conclut le Point 4 de l'Ordre du jour bien entendu en attendant que le GRULAC nous communique ses représentants. Nous en avons terminé avec le Point 4 de l'Ordre du jour et nous allons passer au Point 3 de l'Ordre du jour. Le dernier point inscrit à l'Ordre de cette matinée s'intitule: "Modèle de rapport sur le suivi du Sommet mondial de l'alimentation". Le document qui s'y réfère est le document CL 125/6. En l'absence de M. Sreesunpagit, Président du Comité de la sécurité alimentaire mondiale, j'invite Mme Margarita Flores, Secrétaire du Comité à introduire ce point.

**3. The Reporting Format of the World Food Summit Follow-up (CL 125/6)**

**3. Modèle de rapport sur le suivi du Sommet mondial de l'alimentation (CL 125/6)**

**3. Formato de presentación del informe sobre el seguimiento de los objetivos de la Cumbre Mundial sobre la Alimentación (CL 125/6)**

**Sra. Margarita FLORES (Comité de Seguridad Alimentaria Mundial)**

El Sr. Adisak Sreesunpagit, Presidente del Comité de Seguridad Alimentaria Mundial, tenía la intención de introducir el tema del Consejo. Sin embargo, compromisos con su gobierno lo retuvieron en Tailandia.

Durante el 124º período de sesiones del Consejo de la FAO en junio de este año, la Delegación de los Estados Unidos de América, apoyada por Grecia en nombre de la Comunidad Europea y de sus quince estados miembros, hizo una propuesta para mejorar la forma de presentación de los informes relativos al cumplimiento de los objetivos de la Cumbre Mundial sobre la Alimentación, en los que se da seguimiento a los progresos en el Plan de Acción de la CMA. La intención es contar con una forma de presentación que ayude a comprender los logros o dificultades enfrentados en cada país para avanzar en el cumplimiento de los objetivos de la Cumbre, ilustrando los casos de progreso con prácticas que reportaron buenos resultados y, en situaciones en las que el proceso de implementación tuvo resultados escasos, indicar las posibles razones de retraso.

Como ustedes recordarán, el Consejo recomendó a la Secretaría que analizara las dificultades encontradas en el actual proceso de presentación de los informes, desarrollara un primer borrador en consulta con la Mesa del Comité de Seguridad Alimentaria Mundial, y que la forma revisada fuera presentada al 125º período de sesiones del Consejo de la FAO. Según las recomendaciones del Consejo, esta forma ha sido preparada por la Secretaría del Comité en estrecha colaboración con la Mesa.

La Secretaría revisó los documentos y comentarios de las sesiones pasadas del Comité de Seguridad Alimentaria Mundial concernientes a los informes sobre los progresos en la actuación del Plan de Acción de la CMA y revisó las respuestas a un cuestionario sobre la forma de presentación de los informes enviado a los gobiernos de los países en vías de desarrollo y de los países en transición. Al momento de formular el documento, el 15 de septiembre, documento que

somete a la consideración del Consejo, la Secretaría había recibido 51 respuestas que ahora suman 61. En la Sección 2 del documento se hace una revisión sucinta de la forma en que hoy se procesan los informes. La Sección 3 pasa a revista los comentarios de los países sobre la forma de presentación de los actuales informes, y la Sección 4 incluye un resumen y las conclusiones del trabajo hecho. La parte final del documento presenta el borrador de la forma de presentación que se propone y que incluye los 7 compromisos. Quisiera aprovechar la oportunidad para pedir disculpas, porque en la versión inglesa del documento quedaron algunas anotaciones internas que serán eliminadas en la versión final.

Por último, les ruego que fijen su atención en el párrafo 29 del documento, donde se indican recomendaciones específicas para la consideración y decisión del Consejo.

**Víctor Hugo MORALES MELÉNDEZ (México)**

Este tema es importante para el seguimiento adecuado de los compromisos adoptados por los Estados Miembros de la FAO, tanto en la Cumbre de 1996 como en la Cumbre más cinco del año pasado. Como se recordará, durante los trabajos del 28° Comité de Seguridad Alimentaria Mundial de junio del año pasado, se observó que un número reducido de países, México entre ellos, de los 185 Miembros de la Organización, habían presentado sus informes nacionales sobre los objetivos del Plan de Acción. Esta preocupación fue planteada, entre otros representantes, por esta delegación que consideró que ello no permitía tener una visión amplia de los avances y mucho menos de los obstáculos que han impedido en muchos casos progresar en el cumplimiento de los objetivos de la Cumbre.

Conscientes de esta situación, deseo manifestar el apoyo de mi delegación al proyecto de modelo revisado, que podría ser utilizado de inmediato a partir de 2004 para la presentación de informes, lo que por otra parte no descartaría tampoco su examen posterior para el 30° Período de Sesiones del Comité de Seguridad Alimentaria Mundial. Los informes podrían abarcar los 7 compromisos de la Cumbre, lo que permitiría a los países de manera individual, y a la FAO en general, tener en un solo documento una visión global de los avances y los obstáculos. Asimismo, mi delegación considera que sería de gran utilidad que los informes fueran revisados en las conferencias regionales de la FAO, lo que daría una visión regional sobre el estado de la seguridad alimentaria y la lucha contra el hambre.

**Tony P. HALL (United States of America)**

I want to thank the Council and FAO generally for including this agenda item. We appreciate the efforts to do everything possible in order to insure that the two World Food Summits become more than just high-profile meetings, but true calls to action leading to better lives for the world's hungry.

This Reporting Format for monitoring progress in implementation of the World Food Summit Plan of Action is a marked improvement. We commend the Secretariat on a job well done. The new format can be expected to improve the quality and timeliness of reports, while simplifying the reporting burden.

The United States has some detailed concerns and suggestions that are being distributed separately, copies are available at the documents desk. As it is a long document, I will try to summarise some of the recommended changes that hopefully will meet with your approval.

Specifically, we recommend that: the Council endorse the revised reporting format, with the changes agreed among Members during this discussion; the format be used for reporting in 2004 on the follow-up to the World Food Summit Plan of Action; country reports cover all seven commitments at the same time and countries report sequentially, first to FAO Regional Conferences and then to the Committee on Food Security.

I would also like to take the opportunity now to highlight some further thoughts I have regarding FAO and our collective work in the future.

I was shocked to discover that there is no mechanism to evaluate the performance of FAO Representatives. As we discuss reporting for World Food Summit follow-up, there is no means for reporting on the accomplishments or failures of those individuals who are charged with carrying out FAO's work in specific countries.

This is not meant as a criticism of universal poor performance. On the contrary, I was highly impressed with a gentleman by the name of Ad Spijkers, the FAO Representative, during my most recent fact-finding trip to the Democratic Republic of Congo. He is doing a tremendous job and he should be commended, but there should be a mechanism by which to measure his success and recognize his accomplishments.

Unfortunately, on a trip almost ten months ago to Ethiopia, it was a different story. I heard universal criticism of the FAO representation there, where mistakes on their part complicated an already difficult situation. The FAO Representative has been there for more than five years with no job evaluation.

Continued cooperation between FAO and other partners needs to be strengthened and expanded. I was very impressed with the projects that FAO was implementing in the Democratic Republic of Congo, together with World Food Programme and IFAD. The often criticized Food Aid was being used as an invaluable tool for agriculture development. Food for Work was the catalyst for farmer cooperatives to build fish ponds, small-scale irrigation projects and market access roads. In Albania, Food for Work was reforesting a whole countryside stripped of trees.

I met farmers who were so thankful to FAO for their assistance in seeds, tools, better varieties of crops and advice that allowed them hope for the long run and to WFP for the food ration that allowed them to eat and stay alive in the short run. One nun in rural Eastern Congo was so excited because FAO had helped her to grow an impressive demonstration garden and raise animals, while WFP was providing her with Food Aid in order to complement her supplemental feeding center and school. It was a great example of true sustainable development that can only thrive with cooperation.

The United States strongly supports these on the ground examples of cooperation and the transition from external famine relief to the rehabilitation of domestic agriculture. Food security, along with famine prevention and response, are important priorities for the US and the G8, in fact, the United States Congress has just approved a very flexible approach to famine and provided an additional US\$ 220 million for this account. FAO of course has a key role to play in guaranteeing that fewer people suffer and die due to famine and hunger.

Finally, I want to commend to all of you the recent Evaluation Report of the Netherlands FAO Trust Fund Cooperation and its suggestions. While it only looked specifically at the specific cooperation between the Netherlands and FAO, it contains lessons for us all.

The United States is interested in join our Dutch colleagues, and other interested parties of the Council, in a broad conversation on some of the universal implications of this report. As it states, the challenge to the Netherlands now, and for all of us, is to take a clearer look at the mandate, capacity and strategies of FAO. We look forward to exploring this further, in the next agenda item, during these Council and Conference meetings and beyond.

**Nobuhiko KAHO (Japan)**

My Delegation supports the revision of the Reporting Format and welcomes the draft revised Reporting Format prepared by the Committee on Food Security Bureau and the FAO Secretariat. On this revised draft format I would like to make some comments concerning the four items mentioned in the document.

In general, the draft seems appropriate. To ensure the reporting on section two more analytical with appropriate indicators, is indispensable to strengthen the capacity for data collection and analysis of the member countries, especially of the developing countries. In this field, we expect FAO will play an active role in assisting member countries, collaborating the development

activities of national and regional FIVIMS or Food Insecurity and Vulnerability Information and Mapping Systems.

In addition, to reduce the burden of the Member Nations, it may be quite helpful that the FAO Secretariat provides the data of indicators already available at FIVIMS and other information sources in the UN System.

Concerning Section four, reports of best practices of the countries that have succeeded in reducing the number of the undernourished seem highly relevant, as well as reports of constraints faced by unsuccessful countries.

We think such reports may contribute to showing us a right direction. Especially it may be quite important in cases of a successful experience, on request, FAO provides technical assistance to a member country in analysing reasons, measures taken and results.

Regarding the coverage of the report, it seems appropriate that the seven commitments of the World Food Summit Plan of Action will be included in one report. However, due consideration is necessary to reduce the overall workload of reporting for both the member countries and FAO Secretariat. In addition, if the draft format is adopted at this Council, I think that, considering the urgency of the issue, we should take action immediately to address the issue of the hunger, that is, applying the new format in the reporting in 2004.

Finally, my Delegation supports the idea of a so called sequential approach, that is, first at FAO Regional Conferences and subsequently at CFS since we expect that such an arrangement may deepen the recognition of participants on the latest status of the hunger issue. Therefore, since we should, however, avoid duplications of reporting not to cause unnecessary burdens on the member countries. We expect similar reports from member countries will be used, subjects and themes of this matter have to be clearly defined, and due consideration will have to be taken so that interactions between Regional Conferences and CFS are maximised.

**Ms Anna BLEFARI MELAZZI (Italy)**

I am speaking on behalf of the European Community and its 15 Member States. The ten acceding countries to the EU associate themselves to this statement.

We are grateful to the Secretariat for having prepared, in response to membership requests, the relevant documentation on the improved Reporting Format of the World Food Summit Follow-up. As we stated in the previous June Council Session, the EU is in favour of a revision of the current format so as to have a more meaningful and timely reporting by all Members. This is a crucial issue, since there has been so far insufficient progress on the attainment of the World Food Summit objective of halving the number of chronically-hungry people by the year 2015.

The EU is satisfied with the proposed revised format, since it takes adequate account of the underlying reasons of the current difficulties in the reporting process. Furthermore, it clearly improves the existing system by providing a set of food security, economic, social and health indicators and by requesting information of best practices/constraints encountered in reducing hunger for exchanging experiences from which lessons learned could be extracted.

**Worawate TAMRONGTANYARAK (Thailand)**

The delegation of Thailand wishes to thank the Secretariat for the clarity and conciseness of this important document. Thailand agrees with the proposed revised draft Reporting Format. We think the revised Reporting Format should come into immediate use for reporting on the follow-up to the World Food Summit Plan of Action starting in the coming year 2004. We are of the opinion that the seven commitments of the Country Report should be addressed at the same time and not in two clusters. The one-term report may streamline the work of those involved in the reporting process. We agree with the sequential approach in reporting on and in monitoring of the implementation of the World Food Summit Plan of Action.

The national reports should be discussed at the FAO Regional Conference first and subsequently at CFS. This is a good way to regionalize the reviewing process and to discuss possible regional solutions.

Finally, we would like to recall the importance of timely delivery of informative reports. We attach great importance to the sharing of the lessons learned by the experience of other countries both from the success and from the concerns they have met. We firmly believe in the usefulness of cooperation at this level.

**Mohammad Saeid NOORI-NAEINI (Iran, Islamic Republic of)**

I think Italy wants to finish her statement and then I will take the floor.

**Ms Anna BLEFARI MELAZZI (Italy)**

The European Union endorses the revised reporting format and strongly believes it should come into immediate use after further discussion and decision by the forthcoming CFS on the list of indicators contained in document CL 125/6. The European Union has no objection to country reports covering the seven commitments at the same time, if the rest of the Membership so desires, provided that all commitments are commented upon by all countries. As for the sequential approach, we think that, although it may have some positive aspects, the question requires further reflection since some problems of coordination and excess workload for Regional Conferences may ensue. For the time being, we therefore prefer maintaining the current system of reporting directly to CFS.

**Mohammad Saeid NOORI-NAEINI (Iran, Islamic Republic of)**

There are four questions to which we have been asked to respond. The first one is endorsement of the draft revised Reporting Format. The answer is yes. We strongly support this format. The second question is to decide if it could be started in 2004. My answer is yes, but provided that all the concerns that will be raised today in this meeting have been taken into account and taken care of. If it is possible to take care of all these requests which will be made today and reflected in the format, yes we can start from 2004. If not, naturally we have to postpone it.

To question No. 3, that it should cover the seven commitments, yes we agree that it should cover all the seven commitments. To question No. 4, the sequential approach, we agree but we also agree with the concern raised by both Japan and Italy that it might add to cost and workload both in Headquarters and in the Regional Offices. Then the Secretariat has to weigh these gains and losses against each other if it is really worth it to send it to the Regional Offices. If the cost is not that much, we do agree to go first to the regions and then come to the Secretariat at Headquarters. But as to content of the format concerned, I do have some concerns. I think the Secretariat, although it has done an excellent job in a very short period of time, needs some improvement. For example, in commitment four, we do not have any indicators. No indicator has been suggested for that. Does this mean that it is difficult to identify indicators for measuring commitment four on page 11? So we do need some indicators to be proposed.

On commitment six, it says "measures taken to promote optimal allocation and to use the public and private investment to foster human resources, sustainable food, agriculture, fisheries and forestry systems". Unfortunately, we do not see any reference to forestry. So we should have an indicator to measure forestry, especially forestry systems.

There are no indicators about human resources. All four indicators that have been proposed are for resources. I think that human resources need more emphasis and need indicators to be measured, such as years of schooling, number of schools, training, number of workshops. These kinds of indicators might be suitable to measure this commitment.

As for indicator (c) under the same commitment six, and in all other places, when you refer to technology: "transfer of technology" is always used. I think development of technology is as important as transfer. It does not mean that developing countries should only accept the transfer

the technology. They may also be capable to develop their own technology but they would need assistance in this regard.

Commitment seven, I think for some indicators we chose assistance at the international level. The international assistance which is needed is lacking. The assistance provided by FAO is lacking. We do need some indicators to reflect those helps and assistance.

Finally, on section 5, lessons learned, I was going to propose impact, for example, of a special programme for food security in the countries where it has been implemented. But a more general proposal was made by the Ambassador of the United States, with which I agree.

When it comes to explanatory notes on page 14, once again I think there is need for some corrections. I will just point one out as an example. For the Food Price Index, the definition is "changed in the cost of the average consumer of acquiring a fixed basket of food". I think it is not a complete definition. First of all, if it is an index, it should be an annual one. Secondly, if it is an index, it should be in the form of a percentage. And third, if it is an index, we do need a base here. All these three requirements that are needed for an index are lacking in the definition and should be added. There are other shortcomings in other notes but I am sure that the Secretariat will go through them once again and find them.

**Mrs Mary Margaret MUCHADA (Zimbabwe)**

On behalf of the African Group, we also associate ourselves with the Report of the Secretariat. We feel the Secretariat is trying to take on board the key concerns that were raised by the members when the subject was last discussed. We find the indicators that have been put are realistic as they relate to real life situations, and particularly the thrust on regional approaches in monitoring brings the experiences to the local situations and makes them relevant to member states, also allowing for the sharing of best practices. On the key issues that we are expected to take decisions on, we have no difficulty with the format, so we also associate ourselves with the format that has been indicated. There are certain portions where the indicators were not stated and we would go along with the need to clearly state the indicators for sections 5, 6 and 7. And, at the same time, to clearly articulate the kind of assistance that is going along with the respective responsibilities in those sections, separating what is coming from FAO, what is coming from partners in investment, and what is coming from Member Nations.

We would also accept the implementation in 2004, provided we all agree on the way forward, because there are certain concerns that are being raised in this floor, which we feel will have a bearing on the outcome of the format and which Member Nations are endorsing. Therefore, with the incorporation of those ideas, we have no difficulty with implementing in 2004. On reporting on the commitments, we are of the opinion, that, on all seven commitments there is need for reporting, hence we call for the appropriate indicators to assist in the reporting.

As to the sequential set of reporting, we feel that the Secretariat should help us on this one, because we cannot keep out the regions from this information, because Regional Conferences meet and discuss these issues. At least, they have to be advised on what is taking place. Therefore, as far as we are concerned, we feel that it would be possible to strike a balance to ensure that the regional conferences are advised of the outcome of these reports as well as Headquarters.

With that, I wish to endorse the Report.

**Philippe MOUMIE (Cameroun)**

Je voudrais d'abord m'associer à la déclaration de l'Ambassadeur du Zimbabwe en ce qui concerne l'appui de ce modèle de rapport et son contenu. Ma préoccupation est un peu plus détaillée que celle qui vient d'être exprimée, à savoir la nécessité d'avoir un calendrier assez clair pour la soumission de ces rapports. Concernant ce calendrier, j'ai vraiment l'impression, à savoir, est-ce que la synthèse des rapports des pays sera établie par le Secrétariat du CICA avant d'être renvoyée aux États Membres pour leur participation aux Conférences régionales ? Ou bien est-ce qu'il y a un lien entre les rapports des États Membres et les Bureaux régionaux de la FAO ? À quel niveau cela va-t-il se faire et est-ce que des délais utiles pourraient être aménagés pour que ces rapports

puissent parvenir au Secrétariat du CICA avant la tenue de Conférences régionales? J'aimerais avoir quelques explications à ce sujet et sur ce que l'on envisage en ce qui concerne ces soumissions séquentielles de rapports. Nous avons déjà appuyé il y a plusieurs années l'importance de pouvoir échanger effectivement sur le contenu des rapports, notamment pour pouvoir en tirer des leçons, soit des leçons sur les aspects positifs ou négatifs, mais il est bon que le calendrier soit précisé. Il est également utile qu'on envisage d'aménager le calendrier des réunions des conférences régionales pour permettre effectivement lors de ces réunions un débat sur le contenu des rapports établis pour ces régions.

**Gabriel G. LOMBIN (Nigeria)**

Firstly, let me endorse what the Chairman of the Africa Group has already outlined. Secondly, to be a bit more specific, the three questions, as my learned friend from the Islamic Republic of Iran has said, there were four questions put to the Council.

Let me start by simple direct answers, yes or no. As for the endorsements, we have no objection. As to whether the format should come into immediate use, the answer is yes. I find it a little difficult to even understand how we could have waited until September next year, and then maybe we will start using in 2005 or something. As to whether all the seven commitments should be covered, the answer obviously is yes, in order to be able to give a composite picture.

With regard to the sequential approach, I am rather hesitant here in the sense that I am not sure that the Regional Conferences themselves are aware of the discussion that is going on here now. If they are, and we do ask them to review it, in line with what my Cameroonian friend has said, how are we going to handle the discussion. Is it that the Regional Conferences will first finish it and then it will come to the Committee on World Food Security? If that is to be the case, what happens if the report does not come, does it mean that it will be reported in respect of that region?

By way of what one might call a compromise. Firstly, I would wish that the regions are fully aware of the implications of what they are being asked to take on. Secondly, that there should be some flexibility in the sense that if the national report is going to the Regional Conference, I think it is at that time that the Report should also come directly to Headquarters. In other words, let us have the report in the two places, instead of waiting for the Regional Group to discuss it and then after that another report comes here.

A little note on my area of concern. I was surprised that Commitment 4 had nothing by way of indicators listed. You will appreciate the anxiety and the enthusiasm that is being shown with respect to the trade issues as were brought out this morning. Therefore, for a commitment that relates largely to trade in agricultural products, to be left without indicators, there must be one thing or the other. Either we are saying that we are completely devoid of ideas on this, and I am sure FAO is too rich in terms of intellect for that, I fully endorse the position of the Islamic Republic of Iran, specifically on Commitment 4.

**Ángel SARTORI ARELLANO (Chile)**

Mi delegación desea reconocer el esfuerzo en la elaboración de estos indicadores que deberían medir las modificaciones sustantivas respecto de la aplicación del Plan de Acción de la Cumbre.

Si algo caracteriza a los programas, a los proyectos, a los planes, es que, efectivamente, uno puede tener indicadores que vayan mostrando los avances que su aplicación tiene sobre los sujetos y las acciones que deberían modificarse. Lo que nos interesa aquí es ir midiendo los resultados, porque si bien es importante para quien toma decisiones conocer las medidas que se toman, los proyectos, las iniciativas, las líneas de acción, también es fundamental saber los resultados.

Felicitemos a la Secretaría por haber realizado un avance significativo al mostrarnos los impactos de esas medidas y lo que se obtiene como resultado de su aplicación. Si algo caracteriza a estos programas es que son dinámicos, por lo tanto, además de mostrar los avances indican dónde existen situaciones que no se han abordado bien o que su ejecución no responde a nuestras expectativas. Es por eso que los planes y los programas que ejecutan los países son modificables, y para ello necesitamos indicadores confiables.

Aprobamos esta nueva presentación de indicadores, que no es la óptima pero es, desde luego, un gran avance. La duda es la siguiente: habitualmente aquellas personas que tienen que tomar decisiones, tanto políticas como económicas, prefieren una cantidad menor de indicadores. Sé la dificultad que esto significa y reconozco aquí un gran avance.

**Flávio MIRAGAIA PERRI (Brazil)**

May I applaud the effort made by the Secretariat in presenting us with this proposal. We feel it is a step forward in the way we can measure the results of our efforts in implementing the targets established by the Summit, but I have doubts about several passages. My doubts are not substantial, but many delegations here, in particular the delegation of Iran, mentioned a few points which were made. My attention was drawn to those points too and so my position on this Report is that we could adopt it in a provisional way. Adopting it in a provisional way, we may evaluate developments and discuss it again thoroughly in the next meeting of the Food Security Core Meeting. I do feel that it is a way of improving the excellent work already done by the Secretariat.

**Anton KOHLER (Switzerland)**

Switzerland would like to thank the Secretariat for the constructive document under discussion. We would like to endorse the revised Reporting Format. As far as Conclusion 4 is concerned, we are in favour of a sequential approach but suggest going one step further back. FAO Regional Conferences are certainly a useful step in sequential reporting. We are, however, missing one important link which goes beyond the FAO defined regions. We have been suggesting in former meetings a regional reporting of countries, or clusters of countries, having similar constraints; similar agro-ecological conditions. We, therefore, suggest a reporting format at regional levels of groups of countries with similar regional constraints. Take, for instance, the Sahel Region, the East African Region, why not the Andean Region?

At Committee on World Food Security meetings these sub-regions could present their respective specific progress and constraints, which could then be discussed in depth by CFS. The same would be valid for individual countries which would like to submit their specific case for discussion at CFS. This is what we wanted to add.

**Ambroise N. OUEDRAOGO (Burkina Faso)**

Nous remercions d'abord le Secrétariat pour le travail fait car cela contribue effectivement à une évolution positive dans la saisie des indicateurs pour vérifier l'atteinte des différents engagements et permettre une amélioration aussi dans le temps et dans la qualité et de l'impact de ceux-ci sur nos populations.

Nous voudrions en tout cas soutenir activement les commentaires du Zimbabwe et du Cameroun car cela participe effectivement de la qualité des rapports qui en seront demandés. Mais un point important pour nous est le renforcement des capacités pour des pays qui en ont besoin parce que dans ces pays souvent la récolte des informations pour ce genre d'activités demande des dispositifs des fois assez particuliers et aussi adaptés à la circonstance et pour cela nous pensons que le pays en voie de développement qui en formulerait le besoin devrait pouvoir être soutenu.

Il y a aussi la question de l'insuffisance des indicateurs qui devrait aussi être revue afin de couvrir tous les engagements parce que nous pensons que c'est seulement à partir d'indicateurs adaptés, vérifiables, quantifiables que nous pourrions apprécier réellement le niveau d'atteinte des engagements aux différentes échéances.

Nous pensons aussi que l'approche régionale est importante, comme l'ont souligné tout à l'heure nos prédécesseurs, parce que cela permet de prendre en compte les disparités régionales ou certaines caractéristiques communes aux régions et aux sous régions et cela permet une meilleure comparaison de tous ces effets.

**Noah M. NKAMBULE (Swaziland)**

I would like to commend the members of the Committee on World Food Security who have remained committed to the improvement of this World Food Summit Follow-up Reporting



Format. I also wish to associate my delegation to the comments made by the delegate from Zimbabwe. Generally speaking, my delegation is in agreement with the revised Format before us. I also agree that Commitments One to Seven be reported at the same time.

My delegation is concerned, however, with the lack of capacity for some countries, such as mine, to assemble such information and report in time. However, we will do all that we can to report under this revised format.

**Sra. Margarita FLORES (Comité de Seguridad Alimentaria Mundial)**

La Secretaría agradece los comentarios hechos por los delegados y quisiera hacer algunos comentarios a lo que se ha planteado. En el caso de la intervención de Japón con respecto a la serie de indicadores que quisiéramos utilizar en este informe, era efectivamente una idea de la Secretaría que, cuando se envíe la solicitud a los países para preparar el informe, se proporcione la información disponible para evitar una carga adicional a los Gobiernos; es decir que no enviaríamos un formato limpio y vacío, sino uno especial para cada país con la información que ya se dispone y, en todo caso, corresponderá a los países decidir si la aceptan o si prefieren utilizar otra fuente.

Con respecto a las prácticas y a las lecciones aprendidas que sugerimos estén en esta parte del informe y siguiendo las recomendaciones del Consejo, la Secretaría está tomando medidas para comenzar a realizar estudios más detallados para presentar al Comité de Seguridad Alimentaria. Entendemos que faltan muchos indicadores, habría que ser más precisos. Como siempre, la dificultad está entre escoger pocos indicadores, como mencionaba el Embajador de Chile, o muchos y específicos para cada compromiso. Agradecemos sus observaciones e intentaremos mejorarlas.

Con respecto a cómo seguir el proceso, pensamos aclarar mejor algunos indicadores, en particular, para el Compromiso 6, sobre todo el que se refiere a Comercio, y específicamente los Recursos Forestales, creemos en la secuencia y entendemos las dos posiciones. La Secretaría piensa que hay un ítem pendiente en la agenda de las conferencias regionales sobre el avance en el cumplimiento de los objetivos de la Cumbre Mundial, pero no funciona sobre la base de los informes que presentan los países. La Secretaría ha enviado información aunque reconocemos que esto llevaría a una secuencia más prolongada, por lo tanto lo mantenemos para consideración en un futuro como lo han propuesto algunos de los representantes.

Con respecto a si este modelo debe ser ya utilizado por los países para presentar el informe previsto para la sesión del Comité de Seguridad Alimentaria Mundial en septiembre de 2004, creemos entender que existe la intención de hacerlo si es que realizamos algunas modificaciones en el mismo. Esa es nuestra única duda que nos queda.

**LE PRÉSIDENT**

Nous avons donc devant nous un format de rapport. Il y a eu plusieurs observations de la part des différentes délégations. Une suggestion pourrait être d'adopter ce nouveau modèle quitte à ce que le Secrétariat y travaille avec les observations qui ont été faites ce matin et qu'une nouvelle proposition soit faite à la prochaine réunion du CFS, au mois de septembre prochain, en tenant compte de toutes les observations qui ont été faites. Mais pour l'instant, on pourrait adopter provisoirement ce format de rapport, si tout le monde est d'accord.

Il nous reste le traitement. Est-ce qu'on fera un traitement séquentiel ou non? M. le délégué du Nigéria et Mme la déléguée de l'Italie, au nom de l'Union européenne, ont soulevé la question de la surcharge de travail pour les conférences régionales. Le délégué du Nigéria a suggéré que les rapports soient envoyés en même temps aux conférences régionales et au Siège. Cette proposition de compromis doit-elle être adoptée par le Conseil? Oui? Très bien. Je crois que cela conclut notre point 3 de l'Ordre du jour. Avant de lever la session, je souhaiterais passer la parole au Secrétariat pour qu'il nous présente l'évaluation des performances des Représentants de la FAO.

**David HARCHARIK (Deputy Director-General)**

I do feel obliged to respond to a comment made by the distinguished Ambassador of the United States of America concerning the performance of FAO Country Representatives.

While it is not on the agenda and I, therefore, really do not want to open a debate on this matter, it would not be proper for me to leave Council with the impression that there is no evaluation of the performance of our Country Representatives. In fact, their accomplishments are reviewed every six months and are documented in the form of a management letter that they receive from Headquarters. In addition, their performance is more thoroughly and formally reviewed every two years at the time that we consider the extension of their contracts. So I think it is important that you understand that we are trying to do a good job of reviewing the performance of not only our Country Representatives, but all of the staff at the Organization.

*Adopted*

*Adopté*

*Aprobado*

**LE PRÉSIDENT**

Avant de lever la session, le Secrétariat souhaiterait vous projeter une vidéo sur les mesures de sécurité en cas d'incendie dans les locaux de l'Organisation. Cette vidéo durera trois minutes. Je voudrais également faire une annonce, le Groupe africain se réunira après la fin de cette session dans le hall. Les membres du Groupe africain sont donc invités à rester après la levée de cette session.

*The meeting rose at 12.55 hours*

*La séance est levée à 12 h 55*

*Se levanta la sesión a las 12.55 horas*

# COUNCIL CONSEIL CONSEJO

**Hundred and Twenty-fifth Session  
Cent vingt-cinquième session  
125º período de sesiones**

**Rome, 26-28 November 2003  
Rome, 26-28 novembre 2003  
Roma, 26-28 de noviembre de 2003**

**SECOND PLENARY SESSION  
DEUXIÈME SÉANCE PLÉNIÈRE  
SEGUNDA SESIÓN PLENARIA**

**26 November 2003**

The Second Plenary Meeting was opened at 14.50 hours  
Mr Aziz Mekouar,  
Independent Chairman of the Council, presiding

La deuxième séance plénière est ouverte à 14 h 50  
sous la présidence de M. Aziz Mekouar,  
Président indépendant du Conseil

Se abre la segunda sesión plenaria a las 14.50 horas  
bajo la presidencia del Sr. Aziz Mekouar,  
Presidente Independiente del Consejo

**III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS  
 III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À  
 L'ADMINISTRATION  
 III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y  
 ADMINISTRATIVOS**

**6. Report of the Joint Meeting of the Programme Committee and the Finance Committee  
 (Rome, September 2003) (CL 125/2)**

**6. Rapport de la Réunion conjointe du Comité du Programme et du Comité financier  
 (Rome, septembre 2003) (CL 125/2)**

**6. Informe de la Reunión Conjunta de los Comités del Programa y de Finanzas  
 (Roma, septiembre de 2003) (CL 125/2)**

**LE PRÉSIDENT**

Mesdames et Messieurs, je déclare ouverte la deuxième séance de la 125<sup>ème</sup> session du Conseil. Nous allons commencer nos travaux avec l'examen du Point 6 de l'ordre du jour portant sur le Rapport de la Réunion conjointe du Comité du programme et du Comité financier qui a eu lieu à Rome en septembre 2003. Le document pertinent porte la référence CL 125/2. M. Hankey, Vice Président du Programme exerçant les fonctions de Président, qui a présidé la Réunion conjointe et budget 2004-2005 puisque celui-ci fait l'objet du Point 5 de l'ordre du jour que nous examinerons séparément en fin d'après-midi.

**Vincent BOULÉ (Gabon)**

Je voulais intervenir avant que nous traitions le point à l'ordre du jour. Intervenant pour la première fois, la délégation gabonaise tient à vous exprimer son plaisir à vous revoir parmi nous M. le Président et vous souhaite bon succès dans votre tâche à cette Session de notre Conseil.

Avec votre permission M. le Président, je voudrais me référer à la présentation du film projeté un petit peu avant l'ajournement de nos travaux de ce matin, film qui concernait la sécurité au sein des locaux de la FAO. J'ai été quelque peu surpris de constater que ce film n'était présenté qu'en anglais sans aucune interprétation. J'ose espérer que cela ne signifie pas qu'en cas de sinistre ceux qui parlent une langue autre que l'anglais, seront abandonnés à leur triste sort.

Je demande donc qu'à l'avenir, pour toute communication qui concerne tous les Membres, des mesures soient prises pour s'assurer que les informations soient transmises dans toutes les langues officielles de l'Organisation. Je fais cette déclaration en tant que Président du groupe des ambassadeurs francophones à Rome et au nom de tous les pays qui utilisent le français comme langue de travail.

**LE PRÉSIDENT**

Nous allons demander au Secrétariat de bien vouloir s'assurer que même les francophones soient préservés en cas d'incendie.

**Blair HANKEY (Chairman, Programme Committee)**

The Joint Meeting of the Programme and Finance Committees had three items on its agenda at the September meeting: the Programme of Work and Budget; the Independence and Location of the Evaluation Service; and Savings, and Efficiency in Governance. I will treat them in order.

Regarding the Programme of Work and Budget, the Committees considered the further elaboration of the PWB of the two scenarios of Real Growth and Zero Real Growth originally presented in the summary budget. In addition the Committees were informed by the Secretariat that a document describing Zero Nominal Growth scenarios, as requested at the One Hundred and Twenty-fourth Session of the Council, would be issued on 16 October 2003 for submission to Council. Intervention centred essentially on the positions of individual Members on the budget

level, the rationale for which had already been clearly articulated at previous meetings of Committees and Council.

With regard to the balance between normative and operational activities, many Members felt that the changes made since the Summary PWB somewhat tilted this balance in favour of the normative side. They regretted the reductions affecting the number of important areas of the PWB and in particular, under Major Programme 2.5 Contributions to Sustainable Development and Special Programme Trusts, which were of direct interest to developing countries. They deplored in particular, their detrimental impact on capacity-building. Other Members, however, who were also supportive of keeping an adequate balance between normative and operational activities, considered that the shift of resources made was consistent with the need for trade-offs at times of financial constraint and affordability to Member Nations.

Some Members stated that they would report back to their capitals about the opinions expressed on this key aspect. The Committees were not, therefore, in a position to formulate a consensus recommendation on the budget level for Council.

Regarding the Independence and Location of the Evaluation Service, the Committees appreciated the informative analysis of the advantages and disadvantages of various institutional locations and degrees of Institutional Independence for the Evaluation Service of FAO contained in document JM 03.2/3. They also took note of the clarification of current functions of the Evaluation Service, which covered programme and thematic evaluations for the Governing Bodies, internal evaluations, oversight of the evaluation of extra budgetary projects; and support to the new auto-evaluation system. The quality independence and critical content of evaluations prepared by the Evaluation Service for the Governing Bodies was commended by the Committees. A few Members considered, however, that it was desirable that the Evaluation Service should be made fully independent within the Secretariat and report exclusively to the Governing Bodies.

The Committees agreed that the independent role of the Evaluation Service, within its existing location in PBE should be further enhanced in line with a number of recommendations contained in document JM 03.2/3.

The Committee in particular emphasized the importance of an adequate and stable budget for the conduct of major independent evaluations for the Governing Bodies, and requested the Secretariat to take appropriate action in this regard. It was agreed that it would not be useful to combine evaluation and audit functions within one office, but that improved coordination would be formalized.

The Committees also mentioned one further measure. They requested that the Secretariat make proposals to the Programme Committee, as a primary recipient of evaluation reports, as to how that Committee could be involved in the appointment of the Chief of the Evaluation Service.

The Committees concluded that following implementation of the above improvements, it would be useful for the Programme Committee to review the experience and, if necessary, make further recommendations to Council.

The final item on the agenda of the Joint Committees, under Item 4: Savings and Efficiencies in Governance, there was a discussion of meetings of the Committee on Commodity Problems (CCP) and the Committee on Agriculture (COAG).

At its One Hundred and Twenty-fourth Session in June 2003, the Council in reviewing the reports of the Committee on Commodity Problems and the COAG, had welcomed the Secretariat's examination of the possibility of combining meetings of these two Committees in order to achieve efficiency-savings and improved participation, and of alternative means by which sessions of CCP might be made more effective.

The Committees considered that the analysis and proposals provided in the Secretariat's document required further elaboration and review before a recommendation could be made to Council.

The Committees requested the Secretariat to elaborate further on the possible means to combine meetings of CCP and COAG, so as to achieve efficiency savings, improved participation and effectiveness, including: more interesting, relevant and complementary agendas developed in consultation with Members; shorter meetings held over fewer days; more efficient management of meetings, with clearer separation of discussion and information items; and more concise (and thus less costly) documentation.

The Committees look forward to receiving a revised proposal along these lines at their next Joint Meeting in May next year.

#### **LE PRÉSIDENT**

Est-ce que des délégations souhaitent prendre la parole pour faire des observations sur ce rapport?

#### **James BUTLER (United States of America)**

The United States agrees with the recommendation of the Independence and Location of the Evaluation Service. These are comments sent for recommendation based on the premise that the Evaluation Service must enjoy independence in order to be an effective management tool. We agree with this premise. We look forward to the implementation of the recommendation.

It was noted in the Joint Meeting of the Programme and Finance Committees that attendance at COAG and CCP meetings has been relatively low and costs often high, primarily due to translation costs. Shorter and more focussed meetings would benefit both cost and attendance. We look forward to receiving a revised proposal from the Secretariat at the next Joint Meeting in May 2004, which we hope will include options for either Joint Meetings or back-to-back meetings, more targeted and relevant agendas and carefully considered length of sessions.

#### **Ms Anna BLEFARI MELAZZI (Italy)**

I am speaking on behalf of the European Community and its 15 Member States. The ten acceding countries to the European Union associate themselves to this statement.

The European Union wishes to comment on two items of the Report of the Joint Meeting of the Programme and Finance Committees. Both items deal with improving the governance of FAO, an issue to which we attach the utmost importance. It is with great interest that we take note of the report on the Independence and Location of the Evaluation Service within FAO. Throughout the United Nations system, the European Union is consistently promoting independent oversight mechanism in order to be able to monitor and evaluate the performance of its agencies, so as to increase accountability and organizational learning, we are therefore in favour of a more independent positioning and functioning of the Evaluation Service within the Secretariat. Nonetheless, we welcome as a further step towards a more independent evaluation function within FAO, the Secretariat's proposals to enhance an independent role of the Programme and Budget and Evaluation Service within its current structure. Once again we emphasize the importance of an adequate budget for the conduct of major independent evaluations under any budget scenarios.

We are looking forward to proposals to increase the Programme Committee's involvement in the appointment process of the Chief of the Evaluation Service.

We fully agree with the Joint Committee that further work needs to be done on how to achieve efficiency-savings, for instance, through combining meetings of CCP and COAG, and to improve participation and effectiveness. The latter is, in our view, extremely important, as we feel that the establishment of more interesting and complementary agendas and a clearer separation of discussion and information, are instrumental in making the meetings more relevant for Members. So we would like to reiterate our support to the efforts made by the Secretariat to explore various options for the format of future sessions of the Committees.

#### **Memed GUNAWAN (Indonesia)**

My delegation appreciates the work of the Secretariat, thanks the Joint Committee and welcomes the Report of the Joint Committee on document CL 125/2.

In this regard, we should be able to see the comprehensive Programme of Work and Budget 2004-2005 and its future work in the implementation of the recommendations of the Programme and Finance Committees. However, we understand the need for FAO to maintain its purchasing power against the high fluctuation of inflation rate over time in order to make this Organization move towards implementing all its major programmes to alleviate poverty and hunger and its other commitments and in particular to assist and strengthen the capacity-building of the developing countries. Having said that, my Delegation would like to express its support to the Real Growth of the Director-General's Programme of Work and Budget proposed in Document C 2003/3.

With this Real Growth Programme of Work and Budget, this Organization could continue its job with its actual purchasing power in line with the climbing global investment in the agricultural sector. We also recognize the important issues in paragraph 12 where the Independence and Location of the Evaluation Service is a strategic unit and functions as well as other units and functions in the whole management process. This unit will follow the work done by other management units and evaluate what they have done and give them feedback. What this unit found as inputs for corrections and recommendations to improve and maintain works of management in achieving its mission and targets.

By this assumption there is no doubt that the unit should have the quality, independence and critical contents of evaluations, it should be independent not only by its location, but also by the characters and attitudes of the persons behind this unit. So we have also taken into consideration, with full attention, paragraph 13 in the issue of Savings and Efficiencies in Governance. We would like to express our support to the recommendation given by the Joint Committee on Item 4. We also welcome consideration of the committee by joining meetings of the CCP and COAG in order to achieve staffing efficiencies and improved participations in discussions and debates.

**Gabriel G. LOMBIN (Nigeria)**

I have two points to make. My delegation has browsed through the document and the one that seems to have captured our attention -- apart from the budget which I guess is coming in Item 5 later, so we will wait until then -- is the Independence and Location of the Evaluation Service. My Delegation is gladdened by the fact that FAO is now trying to strengthen and create some independence for that unit. Our little problem, however, is with the Evaluation Committee that has been proposed to be headed by the Deputy Director-General. To whom does that Committee report? It is extremely important because if we are talking about independence of evaluation function, the Evaluation Committee becomes an important index in that scheme. I presume that they will be relating with the Evaluation Office, but the question still remains, to whom do they report? That is one question we want an answer to.

The second point, in terms of the effort of Savings and Efficiencies in Governance. We have been in the vanguard of the proposal that is on the floor here. With respect at least to the Committee on Commodity Problems, the attendance has been low and at times we became confused as to which of the two committees was going to perform which function. We are glad, therefore, that there is now a proposal to see if the two could be merged.

**Anton KOHLER (Suisse)**

La Suisse est d'accord avec les recommandations qui sont faites concernant l'indépendance de l'évaluation. Elle soutient également les propositions qui sont faites, les positions de l'Union européenne et des américains qui vont dans le sens de ce que la Suisse a déjà défendu dans ce "Joint Committee". C'est avec beaucoup d'intérêt que nous attendons le prochain rapport dans lequel nous espérons que les différentes fonctions de l'évaluation soient mieux présentées afin que l'on puisse voir le degré d'indépendance au niveau de chaque fonction de l'évaluation.

**LE PRÉSIDENT**

Y-a-t-il d'autres personnes, d'autres délégations, d'autres Membres du Conseil qui souhaitent prendre la parole. Non? Il y a Mme Gianna Perra de l'Alliance coopérative internationale qui souhaiterait prendre la parole, je lui donne donc la parole.

**Ms Gianna PERRA (International Cooperative Alliance)**

The International Cooperative Alliance would like to reiterate its concern on the proposed cuts to the 2004-2005 Programme of Work and Budget, in particular those that will negatively impact the work of the Rural Development Division with cooperatives and farmers' organizations. ICA, the representative organization of cooperatives grouping over 760 million individuals, in over 90 countries, is concerned that FAO, an organization that has effectively reiterated its commitment to reducing poverty and hunger and building links with civil society will reduce its capacity to work with farmers organization and cooperatives. This is even more preoccupying since the member states have reaffirmed their conviction that cooperatives are a means for people around the world to fight poverty and hunger, create and maintain decent employment, especially in rural areas and enable civil society organizations to prosper to enable people to help themselves.

This support has been expressed with policy documents and official statements issued by the United Nations, the World Bank, the European Union, the Pan-African Conference, the MERCOSUR Presidential Summit, not to mention the specific reference found in FAO World Food Summit Plan of Action.

Mr Juan Somavia, the Director-General of ILO, in his statement, at the ICA General Assembly in Oslo last September affirmed that " whether it is his voice and representation of the community creating jobs and reducing poverty, combining values and profits, or making globalization more fair and inclusive the cooperative enterprise, the cooperative movement must be considered a central actor for more just, more productive, more balanced societies."

May I take this opportunity to remind the delegates here today of the significant continuing contribution of cooperatives in building economic and social development around the world. Agriculture cooperatives are primary actors in many economies responsible for food production and processing, creating and maintaining rural employment and income and making rural development a reality in many countries of the world.

The United Nations estimated in 1994 that the livelihood of nearly 3 billion people or half of the world population, was made secure by cooperative enterprises. Nearly 800 million individuals are members of cooperatives today. They account for an estimated 100 million jobs around the world. More than that of a multi national enterprises and are economically significant in a large number of countries providing food stuffs, housing, financial and a wide variety of consumer services.

We understand that FAO is in a difficult position that requires the prioritization of how to use its limited resources. However, the ICA urges Member Nations to find alternate proposal that will enable FAO to retain a specific technical focus of farmers' organizations and cooperatives.

Finally, may I take this opportunity to reiterate ICA continued support to FAO and ICA commitment to ensure cooperation with FAO as stated in the Memorandum of Understanding signed with FAO in 1999. We hope that the cooperative movement and FAO can work together to address poverty eradication and hunger and find effective solutions.

**LE PRÉSIDENT**

Y-a-t-il d'autres délégations qui souhaiteraient prendre la parole? Non? Alors je demanderai à M. Hankey ou M. Molina Reyes, Présidents du Comité financier s'ils souhaitent répondre ou apporter des précisions sur les déclarations des délégations, non? Le Secrétariat souhaite-t-il apporter quelques précisions, non?



**David HARCHARIK (Deputy Director-General)**

I would like to try to respond to the comment or question raised by the delegate of Nigeria concerning how the internal evaluation committee would work, the one that I would chair. First we need to understand that we have not yet developed the terms of reference for such a committee.

In line with the Report of the Joint Committee, the Internal Evaluation Committee would look at overall coordination and evaluation, try to improve the support, involvement and commitment of the Technical Departments in evaluation. We would of course maintain the Evaluation Service within the PBE Unit, and our Committee would have a chance to ensure that the service itself has the independence of action. In terms of reporting, this committee would report to the Director-General in the same manner as the Internal Audit Committee for which I am Chairman.

**LE PRÉSIDENT**

Nous terminons ainsi le Point 6 de l'ordre du jour mais avant de passer au point suivant, je voudrais féliciter et remercier chaleureusement MM. Hankey et Molina Reyes pour l'excellent travail effectué pendant ce biennium.

**7. Report of the 90<sup>th</sup> Session of the Programme Committee (Rome, September 2003)**

(CL 125/3)

**7. Rapport de la quatre-vingt-dixième session du Comité du Programme**

(Rome, septembre 2003) (CL 125/3)

**7. Informe del 90º período de sesiones del Comité del Programa (Roma, septiembre de 2003)**

(CL 125/3)

**LE PRÉSIDENT**

Le point 7 de notre ordre du jour concerne le rapport de la quatre-vingt dixième session du Comité du programme qui s'est tenue à Rome du 15 au 19 septembre 2003. Le document pertinent porte la référence CL 125/3. Lors de sa dernière session, le Conseil avait noté les vues préliminaires du Comité du programme sur la définition de priorités dans le cadre de la préparation des programmes de la FAO. Nous allons aujourd'hui prendre connaissance des conclusions tirées par le Comité du programme lors de sa session de septembre 2003. J'aimerais demander à M. Hankey, Vice-Président du Comité du programme exerçant les fonctions de Président d'introduire le rapport à l'exception de la partie portant sur le Programme de travail et budget 2004-2005 qui sera examiné en fin d'après-midi au Point 5 de l'Ordre du jour comme je l'ai déjà expliqué auparavant.

**Blair HANKEY (Chairman, Programme Committee)**

The Committee had on its agenda six outstanding items: Programme of Work and Budget, Programme Evaluation, Priority Setting in the Context of Programme Planning, Policy and Operational Framework of the Technical Cooperation Programme, UN Joint Inspection Unit Reports and Progress Report on the Follow-up to Past Programme Committee Recommendations.

Since you have asked me not to address the first items, I will address the second, third and fourth items: Programme Evaluation, Priority Setting and the TCP.

On the item on Programme Evaluation, the Committee reviewed the evaluation of Crop Production Programme. The Committee appreciated the evaluation as insightful, thorough and frank and welcomed the strategic orientation of the analysis and recommendations in the report. It considered that the evaluation provided a constructive and useful guide for reorienting AGPs work in crop production. The Committee also noted the general consensus between the Evaluation Report, the External Peer Review Panel Report and the Senior Management Response.

The Committee endorsed the recommendations in general and highlighted some of them. The Committee welcomed the commitment by Senior Management to act on the recommendations of the evaluation and looked forward to receiving future reports on their implementation.

Concerning the item on Priority-Setting in the Context of Programme Planning, following its preliminary consideration of this subject at the May session, the Committee addressed a document prepared by the Secretariat, focussing on information requirements and arrangements which could enhance the advisory role of the Committee with respect to setting relative priorities. It looked forward to another document in a future session, dealing with possible improvements to internal methods and systems within the Secretariat to support the prioritization of proposals at Programme entity level.

The Committee recognized that, as foreseen in the Basic Texts, it was the most pertinent intergovernmental forum to discuss the relative merits of different substantive priorities. Since, for example, the Technical Committees of the Council or the Regional Conferences were necessarily bound by their sectoral or regional perspectives.

The Committee considered that the sought after enhancement of its advice on priorities depended upon a number of essential factors such as an improved and tailored information base to support its discussions, discussions set at the proper level, avoiding the risks of micromanagement in dealing with excessive details. This was facilitated by the fact that FAO already had approved policy level documents such as Strategic Framework and sufficient time to engage in an effective strategic dialogue among members, an objective which was well served by the Committee's small size.

The Committee noted that in order to facilitate its discussion of relative priorities during the May and September sessions next years, the Committee would be provided with specific documentation covering three aspects: an analysis of the balance of resource allocations between Strategic Objectives, including changes occurring over time, and an analysis of evolving external factors that might necessitate a change in that balance; a summary of preferences as to specific priority areas as expressed by Members in a variety of fora which could be progressively developed; the results of analysis highlighting Programmes on which no priority has been expressed. It also noted that Priority Setting necessarily implies the identification of low priorities as well as high ones.

The item on Policy and Operational Framework of the Technical Cooperation Programme. The Committee recognized the importance of the TCP for developing countries and, in particular, for Low-Income Food-Deficit-Countries. The Committee expressed the view that a more programmatic approach to TCP should be explored, so as to, for instance, encourage a closer linkage between field and normative activities, taking account of the demand or driven nature of the Programme.

The Committee recognize that the criteria and project categories applied by the TCP had been developed many years ago and needed to be adapted to fit the realities of the present time. The Committee agreed that a process be initiated to explore possibilities for modernization and adapting TCP such that it responds to change in the international environment, including follow-up to the World Food Summit and the World Food Summit: *five years later*, and reflects the evolving needs of Member States. It was, however, important to bear in mind the usefulness of such characteristics of the Programme as its flexibility and responsiveness to urgent demands.

The Committee recalled the opportunities of continuing with the current practice of contracting National Experts where appropriate, given their familiarity with the local situation so as to reduce the costs of TCP. And the Committee took note that it would return to the matter if possible in September next year.

#### **LE PRÉSIDENT**

D'autres délégations souhaiteraient-elles prendre la parole sur ce rapport présenté par M. Hankey?

#### **Ms Anna BLEFARI MEZAZZI (Italy)**

I am speaking on behalf of the European Community and its 15 Member States. The ten acceding countries to the European Union associate themselves to this statement.

The European Community's Member States have taken note of the report of the Programme Committee's September meeting and wishes to offer four comments for consideration by the Council.

We endorse the substance of the proposed Programme of Work and Budget 2004-2005 and express our sincere appreciation for the improved format. Unlike its predecessors, this Programme of Work and Budget is strategic in its focus and more result oriented. This greatly facilitates the monitoring and evaluation of programme results and outcomes by Members in the future.

We welcome that this Programme of Work and Budget has responded to the priorities expressed by the Membership regarding Codex Alimentarius, IPPC, Plant Genetic Resources, Forestry, and Fisheries. We feel that these areas of work need to be protected and adequately funded.

Given FAO budget constraints, low priorities had to be set as well by the Secretariat in the Programme of Work and Budget. However regrettable, the proposed reallocation of funds from two programmes and Major Programme 2.5, Sustainable Development, to the Technical Economic Programmes mentioned earlier was, unfortunately, unavoidable. However, given the importance we attribute to Sustainable Development we do concur, indeed, with the intention to limit the impact on the separation of activities as much as possible.

In this regard, we have noticed with satisfaction that the Secretariat has proposed no budgetary reductions for the programme 2.5.2, Gender and Population. As for the ZNG scenario, unfortunately the relevant document was issued only after the Programme Committee September meeting. Therefore, the Programme Committee had no opportunity to go through it.

We are very glad to see that the Programme Committee in its next meeting will engage in a strategic dialogue among Members on how to set priorities for the future work of the Organization. Given its compact size and its mandate, this Committee provides indeed an appropriate forum to consider and weigh relative priorities. We, therefore, call upon the regional groups to fully engage in this exercise in order to support members of the Programme Committee and the Secretariat in preparing next year's Medium-Term Plan proposals.

It should be stressed however, that an exercise in setting priorities also implies the identification of low priorities as well. In seeking a proper mechanism for priority setting we trust in the support of the Secretariat. We are looking forward to continuing with the Secretariat's skilful assistance in the quest of establishing a priority-setting mechanism which enables us to reflect Membership needs in times of stringent budgets.

A constructive discussion has taken place in the Committee on the Technical Cooperation Programme. Indeed, as this Programme is so relevant for many developing countries and absorbs US\$ 90 million to US\$ 100 million per biennium it merits a regular and extensive attention of the Governing Bodies.

The European Community and its Member States are of the opinion that given its importance, the TCP should take adequate account of changing development needs in the light of the major United Nations conferences, the PRs to be processed and important recent initiatives such as NEPAD. The adjustment process of TCP should explore more notably the application of a programmatic approach in order to enhance the synergy between operational programmes and normative activities.

We have noted with much interest the Secretariat's response to the recommendations of the Programme Evaluation on Crop Production. A more active focus on policy and strategic development matters and an integrated approach to agricultural development activities should indeed be implemented as soon as possible. In our view however, the recommendations are not limited to Crop Production. They are relevant to other sectors of the Agricultural Department equally. It is promising to see that the Secretariat fully concurs with these ideas. We would be interested to receive in due time a report on the implementation.

**Angel SARTORI ARELLANO (Chile)**

Hay algunas observaciones que quisiera plantear con respecto a la información del Comité del Programa, o más bien recalcar, desde el punto de vista de mi delegación. En la Cumbre Mundial sobre la Alimentación del año 1996 y también en el año 2002, los Estados Miembros solicitaron a la FAO un trabajo mancomunado respecto de las enfermedades animales.

La prevención y control progresivo de enfermedades transfronterizas, dondequiera que ocurran, generan un perjuicio económico importante. La labor de apoyo de esta Organización es disminuir el riesgo y promover aquellas medidas que tiendan primero a controlar, en lo posible, y a erradicar una serie de enfermedades. El 70 por ciento de los pobres en el mundo mantienen animales en sus pequeñas huertas. Las enfermedades transfronterizas en su gran mayoría son endémicas y limitan, desde luego, la seguridad alimentaria.

El trabajo de la FAO y de la Organización Internacional de Epizootias a este respecto han enfocado sus esfuerzos con el fin de entregar, de sugerir recomendaciones para una mejor actuación respecto con estas enfermedades. Y creo que aquí hay un desafío tanto para estas organizaciones como también para los Estados Miembros que han tenido éxito en el control y en la erradicación de algunas enfermedades, que muchas veces también ocasionan obstáculos al comercio. Episodios recientes de fiebre aftosa, por ejemplo, como el de Newcastle en aves, de influenza aviar, peste porcina clásica, representan un desafío para la Organización a fin de poder priorizar sus recursos en temas tan importantes como los que estoy mencionando.

Mi delegación hace un llamado a seguir trabajando en esta orientación y cooperaremos, en la medida de nuestras posibilidades, ante requerimiento de la organización, a fin de colaborar con otros países en lograr el control y erradicación de estas enfermedades.

**Flávio MIRAGAIA PERRI (Brazil)**

It is only a short comment on a very important aspect of this report which is in paragraph 18 of document CL 125/3. The Committee recalled the report of its Eighty-ninth Session which requested the removal of the phrase "Políticas y gobernanza forestales" and it was agreed that in the Spanish version of the PWB 2004-05, the phrase in Programme Entity 243A4 in the MTP 2004-09 would be used and would read: "políticas de sistemas de gobierno forestales", that is the way they translated it in Spanish.

But I have to tell you that in trying to understand what the entire concept implies, I had to go to document C 2003/3, the Programme of Work and Budget for 2004-2005 and I found out that there was there, in a certain passage, Programme 24 Forestry in the Chapter of the Programme of Work and Budget, an item called Forest Policy and Governance, and that is my point.

Brazil is convinced that the only role FAO can play, in this case, is in response to requests made by the country of sovereignty. And my reading of the phrase makes me understand that policies and governance are different considerations and both correspond to the realm of national sovereignty. It is up to each country to decide on the use it gives to its forest resources together with national stateholders. It is important to say that, in the Spanish translation or the English version of the same phrase which we will see in the discussion of the Programme of Work and Budget later on, the phrase Forest Policy and Governance deals with two distinct elements, on one hand forest policies, and on the other hand governance. And so, my conclusion is that Brazil understands that there is no place in FAO's documents for any mention of a phrase which was built in a document during the preparations for the Committee on Forestry which said forest governance. This phrase is not part of the concept we have discussed in any other fora dealing with the point on forests.

**Brett HUGHES (Australia)**

Australia would like to commend the Programme Committee Membership for the significant progress it has made on a number of important issues over the last biennium. One of the areas that Australia believes good progress has been made in is in relation to priority setting. Australia

welcomes the Committee's agreement to proceed for the upcoming biennium with new arrangements which will enhance the advisory role of the Programme Committee in setting relative priorities. This should allow members to provide strategic guidance on the priorities of the Organization and the associated resources necessary to achieve these outcomes. It will be a crucial step in ensuring that Members are more actively engaged in the priority setting process and ensuring greater responsiveness of the work plans and of the Secretariat's resources to the changing needs of the membership. The identification of low priorities is also fundamentally important to undertaking real prioritization.

While Australia's main comments in relation to the Programme of Work and Budget will be made under that item, we would just like to make a couple of brief comments on the Programme Committee's consideration of this here. Firstly, Australia would like to strongly endorse the Programme Committee's support for the increased funding evident in the revised PWB considered by the Committee for the international standard-setting bodies hosted by FAO, the IPPC and CODEX. Likewise, I would say that in relation to fisheries and forestry, the revised allocations that were in that document, these are fundamental areas for protection and there has been substantial guidance provided on this by the Programme Committee and the Council.

The final area I would just like to make comment on is in relation to the operational framework of the Technical Cooperation Programme. Australia supports the Committee's agreement to explore modernization of the TCP. This is important as this is an important programme and to be genuinely responsive to the needs of the membership, and it needs to be effectively linked with the normative work of the Organization and the Organization's areas of comparative advantage. The Programme Committee's comments also recognize the need for the TCP criteria and project categories to be reviewed and adapted to fit the realities of present times. We believe that a more transparent framework in which directions the future TCP projects would be informed by evaluations of previous projects and the use of measurable and verifiable performance indicators would assist to make the Programme more effective as would greater emphasis on well-formulated projects.

One comment which I would just like to add in relation to the Programme of Work and Budget is that in meeting those high-priority areas which I identified earlier, in relation to IPPC, CODEX, fisheries and forestry, we support the proposed shifts in allocations that were identified in the revised PWB to achieve that.

**Blair HANKEY (Chairman, Programme Committee)**

I would just like to address the point raised by the Ambassador of Brazil. The issue that he raises on forest governance was discussed at considerable length in the Programme Committee and the GRULAC members of the Committee were particularly active in that discussion. I do not think I can comment on the substance of the issue now but I would encourage the Brazilian delegation and other delegations that have a similar view to pursue I think a bilateral discussion with Mr. El Lakany, the Assistant Director-General for Forestry Department. I do not think we can really advance that discussion here in the Committee. At least, I cannot.

**Flávio MIRAGAIA PERRI (Brazil)**

I thank you for your comments. Of course, we have been discussing this with Mr. El Lakany. The point is not to invent, not to create terms which were not approved in any specialized form. This is a new term and my contention is not to use it in any documents produced by FAO unless we discuss it thoroughly and that is not the case. We have not had the opportunity to discuss it thoroughly and what I meant when I made my intervention was to say that forests are a very delicate issue, for Brazil at least. We take care of our forests. We are trying to conserve them, to keep them, as long as it is our interest, it is a sovereign interest of Brazil.

**LE PRÉSIDENT**

Y a-t-il d'autres commentaires? Non? Nous avons donc terminé avec le point 7 de notre ordre du jour.

**II. ACTIVITIES OF FAO** (continued)  
**II. ACTIVITÉS DE LA FAO** (suite)  
**II. ACTIVIDADES DE LA FAO** (continuación)

**4. Preparations for the Thirty-second Session of the FAO Conference (Recommendations to the Conference)** (C 2003/12; C 2003/12-Sup.1)

**4. Préparatifs de la trente-deuxième session de la Conférence de la FAO (Recommandations de la Conférence)** (C 2003/12; C 2003/12-Sup.1)

**4. Preparativos para el 32º período de sesiones de la Conferencia de la FAO (Recomendaciones a la Conferencia)** (C 2003/12; C 2003/12-Sup.1)

**LE PRÉSIDENT**

Avant de passer au Point 8 concernant les cent-quatrième et cent-cinquième sessions du Comité financier, je voudrais revenir au point 4 de l'ordre du jour de ce matin concernant les Préparatifs de la trente-deuxième session de la Conférence de la FAO. Vous vous souviendrez ce matin, nous n'avons pas clos le point 4 de notre Ordre du jour. Les consultations devaient avoir lieu au sein des groupes, d'une part sur les nominations pour la Conférence et d'autre part sur les tables rondes. En ce qui concerne les nominations, le GRULAC est-il maintenant en mesure de nous communiquer le pays auquel reviendra l'une des vice-présidences de la Conférence?

**Angel SARTORI ARELLANO (Chile)**

Hemos tenido la reunión que anuncié en la mañana y hemos tomado la decisión. Sin embargo, falta una ratificación que será entregada en breve plazo. Prácticamente están definidas todas las posiciones del GRULAC, pero reitero, falta una ratificación de la Asamblea General del Grupo de América Latina y el Caribe.

**LE PRÉSIDENT**

On attendra donc que le GRULAC nous communique le nom de ses candidats. En ce qui concerne les tables rondes, est-ce que les groupes peuvent nous faire connaître leurs conclusions?

**Mme Anna BLEFARI MELAZZI (Italie)**

Nous nous sommes consultés aujourd'hui et nous avons quatre commentaires à faire. L'Union européenne, naturellement, ne manquera pas de se rallier à la décision de la majorité. Mais, en même temps, nous voudrions rappeler que les raisons pour lesquelles nous avons pris des décisions, en juin; cette Conférence plénière va avoir un passage à examiner de la situation de la nourriture et de l'agriculture pendant cette consultation. Il n'y aura pas de discussion parce que les ministres vont lire des discours qui ont été déjà préparés. C'est là la raison pour laquelle on avait envisagé l'opportunité de tenir des discussions tout à fait informelles, des tables rondes d'un format un peu plus petit, comme il est arrivé lors du Sommet, de façon à permettre aux Ministres d'avoir une discussion vraiment informelle et dans un format différent de celui de la Conférence. Naturellement, nous aimerions ce format, une manière de rendre les Ministres disponibles à discuter de façon franche et ouverte. On ne s'opposerait pas à ce que le reste des Membres qui vont écouter la discussion puisse la suivre et on pense que ce serait mieux d'installer une salle d'écoute de façon à ce que les autres Membres puissent suivre directement les discussions. Naturellement, nous souhaitons que le format décidé pour une Table Ronde soit étendu aux autres tables rondes, de façon à ce qu'il n'y ait pas de différences entre tables et tables.

**LE PRÉSIDENT**

Ce matin le Secrétariat nous a indiqué qu'il était difficile de mettre un système d'écoute ou un système de vidéo dans les différentes salles. Si je comprends bien, Mme l'Ambassadeur, vous acceptez la proposition et la suggestion de M. l'Ambassadeur du Brésil de ce matin d'avoir donc les participants à la Table Ronde, en tout cas les participants à la table ronde N° 2, et d'avoir d'autres délégations qui assistent dans un deuxième rang à cette fameuse table ronde. Je voudrais simplement demander au Secrétariat s'il est possible d'étendre cela aux deux autres Tables Rondes. Oui? Eh bien très bien, ce sera notre recommandation pour la Conférence.

**Flávio MIRAGAIA PERRI (Brésil)**

M. le Président, reconnaissant l'effort du Secrétariat et les paroles de Mme la déléguée de l'Union européenne, mettons-nous au travail.

**Mme Anna BLEFARI MELAZZI (Italie)**

Naturellement, la participation est ouverte seulement aux délégations des Pays Membres, pas à la Presse ou à d'autres participants.

**LE PRÉSIDENT**

Merci, Madame l'Ambassadeur d'Italie, nous avons bien pris note de cela.

**Nobuhiko KAHO (Japan)**

The delegation of Japan could accept the idea of participation of observers from non-registered FAO Member Nations in Round Table Two. However, to promote a lively debate and exchange of opinions by the registered heads of delegations and advisers, we do not think the observers are allowed to intervene in the meeting.

Japan would like to request that, the registered participants should be given sufficient time for their remarks and that, the length of the meeting should not be further extended beyond the acceptable level in view of the tight schedule of the Heads of Delegation. I sincerely hope that my colleagues here will take due consideration to my observation.

**III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS**

(continued)

**III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION (suite)****III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS (continuación)****8. Report of the 104<sup>th</sup> Session (Rome, September 2003) and 105<sup>th</sup> Session (October 2003) of the Finance Committee (CL 125/4; CL 125/11)****8. Rapport de la cent quatrième session (Rome, septembre 2003) et de la cent cinquième session (Rome, octobre 2003) du Comité financier (CL 125/4, CL 125/11)****8. Informe del 104<sup>o</sup> período de sesiones (Roma, septiembre de 2003) y del 105<sup>o</sup> período de sesiones (Roma, octubre de 2003) del Comité de Finanzas (CL 125/4; CL 125/11)****LE PRÉSIDENT**

Nous allons donc passer au Point 8 de l'ordre du jour "Rapport des 104<sup>ème</sup> et 105<sup>ème</sup> sessions du Comité financier. Les rapports des 104<sup>ème</sup> et 105<sup>ème</sup> sessions du Comité figurent au document CL 125/4 et CL 125/11. Je vous prie de noter que des corrections ont été apportées aux versions arabe, espagnole et française du document CL 125/4; elles se trouvent dans le document CL 125/4 Corr.1. Je voudrais souligner par ailleurs, que les questions qui requièrent l'attention du Conseil sont notamment présentées dans le tableau qui se trouve au début du Rapport de la 104<sup>ème</sup> session du Comité. Le Point 8 de l'Ordre du jour comprend cinq sous points suivants: le sous point 8.1 est intitulé "Situation des contributions et des arriérés" (CL 125/LIM/1); le sous point 8.2 a trait à la représentation géographique équitable, le sous point 8.3 concerne le recouvrement fractionné des contributions, le sous point 8.4 est relatif à la budgétisation des investissements, enfin le sous point 8.5 porte sur les autres questions découlant du Rapport.

*8.1 Status of Contributions and Arrears (CL 125/LIM/1)*

*8.1 Situation des contributions et arriérés (CL 125/LIM/1)*

*8.1 Estado de las cuotas y de los atrasos (CL 125/LIM/1)*

## **LE PRÉSIDENT**

Permettez-moi d'introduire le sous point 8.1 avant de donner la parole au Président du Comité financier. Le sous point 8.1 sur la situation des contributions et des arriérés est illustré par le document CL 125/LIM/1. Ce document a été préparé par le Secrétariat et présenté au Conseil pour information afin de mettre à jour les informations fournies dans le Rapport de la 104<sup>ème</sup> session du Comité financier. Au 21 novembre 2003, l'Organisation a reçu plus de 223 millions de dollars au titre des contributions de l'année 2003; cela représente 69,04 pourcent des contributions dues pour l'année et sont inférieures aux contributions reçues ces cinq dernières années à la même époque de l'année, ainsi 66 États Membres, soit 36 pourcent des Membres de l'Organisation n'ont pas encore versé leur contribution pour l'année 2003 et 61 États présentent encore des arriérés de contribution pour 2002 et les années précédentes. Le montant des arriérés de 39 États est tel qu'il ne leur permettrait pas de participer au scrutin à la prochaine session de la Conférence conformément à l'Article III.4 de l'Acte constitutif de l'Organisation.

## **LE PRÉSIDENT**

M. Molina Reyes, Président du Comité financier, va maintenant introduire le Point 8 et ses différents sous points. Comme précédemment, je demande à M. Molina Reyes de ne pas introduire le Programme de travail et budget 2004 et 2005 qui sera examiné au Point 5 de notre ordre du jour un peu plus tard cet après-midi.

## **H.O. MOLINA REYES (Presidente del Comité de Finanzas)**

Me complace estar aquí con ustedes para presentar los informes de los dos períodos de sesiones del Comité de Finanzas que se celebraron en septiembre y octubre de 2003. Dichos informes se presentan al Consejo en los documentos ya mencionados CL 125/4 y CL 125/11.

Obsérvese que nuestro 105º período de sesiones tuvo carácter extraordinario y se convocó para tratar exclusivamente cuestiones relativas al Programa Mundial de Alimentos (PMA). Agradezco al distinguido Representante del Reino Unido, Embajador Anthony Beattie que presidió dicha reunión. Nuestros informes sobre dichas cuestiones se han presentado en la Junta Ejecutiva del PMA para su examen. El programa de nuestro período de sesiones ordinario cubrió un amplio abanico de asuntos presupuestarios, financieros y administrativos que se referían y afectaban a la situación general de la Organización. Además de examinar la situación financiera de la Organización, el Comité también abordó cuestiones referentes a la supervisión, incluyó varios informes de la Dependencia Común de Inspección de las Naciones Unidas. Como es habitual, en dicho período de sesiones también se celebró una reunión conjunta con el Comité de Programas de cuyos resultados ya fue informado este Consejo.

En la presente introducción desearía poner en relieve puntos de interés general para el Consejo y que requieren la adopción de medidas por parte de éste.

8.1 Estado de las cuotas y de los atrasos ya mencionados en el CL 125/LIM/1. El Comité observó que la demora del pago por parte de los dos principales contribuyentes hacía temer un déficit grave de liquidez. A menos que se recibieran sus contribuciones, la Organización tendría que recurrir a préstamos externos para cumplir sus obligaciones. Las demoras en el pago de las cuotas y la persistencia de un nivel elevado de atrasos seguían siendo los factores más importantes que minaban la salud financiera de la Organización, no obstante el programa de incentivos que existe para el pago oportuno de las cuotas.

Lamentablemente, pese al aumento de los saldos del Fondo de Operaciones y la Cuenta Especial de Reserva, el Fondo General seguía presentando un déficit neto. El Comité observó que, entre las grandes Organizaciones de las Naciones Unidas, la situación financiera de esta Organización



parecía ser la más débil, principalmente debido a la acumulación de los atrasos en el pago de las cuotas.

Se había registrado un aumento de los ingresos derivados de las inversiones a largo plazo en consonancia con la mejora general de las condiciones de mercado; no obstante, el valor de la cartera de inversiones a largo plazo de la Organización seguía reflejando una financiación muy insuficiente de las obligaciones relativas al personal. La falta de una fuente de financiación establecida para dichas obligaciones terminaría traduciéndose en una grave disminución de liquidez. El Comité tendría que abordar la cuestión de la financiación de tales obligaciones en un tema aparte del Programa.

Con el fortalecimiento del euro en el año 2003, la Organización había obtenido ganancia en divisas en su contrato de compra a términos de euros. Aunque tales ganancias habían sido contrarrestadas en parte por el mayor gasto en dólares EE.UU., correspondiente a los sueldos en euros, la ganancia neta de la Organización había sido del orden de 8 millones de dólares EE.UU.

Las deliberaciones del Comité sobre la situación financiera de la Organización figuran de forma detallada en los documentos CL 125/4, párrafos 8 a 12. Además en el documento CL 125/LIM/1 donde se presenta una actualización del estado de las cuotas.

8.2 Metodología para la determinación de una distribución geográfica equitativa. El Comité examinó el documento CL 124/15-Add.1 que se había presentado al Consejo en su período de sesiones de junio 2003 y valoró positivamente la información adicional que proporcionaba.

Reconoció que se trataba de una cuestión de gran complejidad y de grandes implicancias políticas y que muchas otras organizaciones internacionales ya habían abordado esta cuestión. En consecuencia, opino que sería deseable mantener la coherencia de la metodología a aplicar en armonía con las otras organizaciones del sistema de Naciones Unidas.

Con respecto a las tres opciones presentadas de esta metodología, la mayoría se mostró favorable en aplicar la opción dos, mientras que otros opinaron a favor de la opción tres.

Dada la complejidad de alcanzar un consenso con respecto a una de las tres opciones presentadas y la necesidad de determinar el peso de los factores a considerar, el Comité de Finanzas decidió sugerir al Consejo la creación de un Grupo de Trabajo que examine los siguientes elementos:

- 1) El número de puestos en que debería basarse el cálculo de la distribución geográfica.
- 2) La ponderación que podría atribuirse a cada uno de los factores incluidos en el método de cálculo.
- 3) El plazo y la forma en que podría aplicarse una metodología revisada.

En síntesis, si el Consejo lo estima prudente, se debería aprobar la creación de un Grupo de Trabajo representativo de cada una de las regiones geográficas para profundizar el análisis realizado por el Comité de Finanzas y efectúe una recomendación políticamente consensuada para ser aprobada en las próximas reuniones del Consejo.

Por otra parte, el Comité también coincidió en la necesidad de adoptar mayores medidas concretas simultáneamente para corregir la infrarrepresentación de determinados Estados Miembros y de algunas regiones, independientemente de la opción elegida.

8.3 Asignación de cuotas en dos monedas. El Comité de Finanzas recordó las opiniones de este honorable Consejo en el sentido que era necesario proteger, en la mayor medida posible, el Programa de Labores y Presupuesto de la Organización contra los efectos de las fluctuaciones de los tipos de cambio y de que el dólar de EE. UU. seguía siendo la moneda funcional para todos los efectos presupuestarios en la Organización.

El Comité consideró que el planteamiento propuesto sobre la presentación de la asignación de cuotas en dos monedas en el documento presupuestario representaba una mejora sustancial.

Un Miembro se opuso en principio al concepto de asignación de cuotas en dos monedas, pero no deseó bloquear una posición consensuada. Dicho Miembro también propuso que los Estados

Miembros que apoyasen firmemente la propuesta pudiesen contribuir voluntariamente a compensar los gastos de la FAO derivados de la puesta en práctica de la asignación de cuotas en dos monedas.

El Comité recomendó que el método de asignación de cuotas en dos monedas pudiera adoptarse a partir del bienio 2004-2005. Asimismo el Comité aprobó las revisiones propuestas del Reglamento Financiero y del Modelo de Resolución sobre las consignaciones (adjunto como Anexo II al documento CL 125/4), que se remitieron al Comité de Asuntos Constitucionales y Jurídicos (CACJ) para su ratificación y presentación al Consejo.

8.4 Presupuestación de capital. El Comité tomó nota de que, con arreglo al enfoque propuesto por la Secretaría, los presupuestos de capital de la FAO tendrían su origen en el Marco Estratégico y cada propuesta debería referirse a una o más de las seis estrategias para afrontar cuestiones intersectoriales de toda la Organización. Acogió con satisfacción la propuesta de añadir un plan de gastos de capital de seis años de duración en el Plan a Plazo Medio y la subsiguiente inclusión del correspondiente segmento de dos años en el Capítulo 8 del Programa de Labores y Presupuesto.

El Comité refrendó la propuesta de establecimiento de un Servicio de gastos de capital, para someterla al examen del Consejo. El Comité refrendó asimismo el proyecto de texto del Artículo 6.10 del Reglamento Financiero propuesto (adjunto como Anexo II al documento CL 125/4), que se presentó al Consejo por conducto del Comité de Asuntos Constitucionales y Jurídicos.

8.5 Otros asuntos planteados en el informe. Transferencias en el programa y el presupuesto en el bienio 2002-2003.

De conformidad con el Artículo 4.5 del Reglamento Financiero, el Comité examinó las transferencias del Director General en el Programa y el Presupuesto en el bienio 2002-2003. El Comité tomó nota de la justificación de la transferencia al Capítulo 3 y manifestó su acuerdo en principio con que se sufragaran con cargo a los atrasos en equipos derivados de las nuevas exigencias de seguridad para el personal de campo.

El Comité reconoció que un factor importante, que contribuiría a la necesidad de transferencias presupuestarias al Capítulo 3, era el déficit previsto de los ingresos por concepto de gastos de apoyo. Pidió a la Secretaría que presentara un documento informativo sobre las tendencias recientes de la recuperación de los gastos de apoyo y los ingresos conexos, las medidas propuestas para reducir el déficit y el método de cálculo aplicado a la definición de dichas tasas.

El Comité aprobó las transferencias solicitadas entre diversos capítulos del presupuesto y tomó nota que podrían producirse algunas variaciones en las transferencias propuestas especificadas actualmente, ya que el resultado final dependería de cuestiones que escapaban al control directo de la Organización.

Informe de la Dependencia Común de Inspección de las Naciones Unidas. Deseo resaltar la importancia del trabajo independiente y acucioso de la Dependencia Común de Inspección a lo largo de todo el Sistema de Naciones Unidas, el cual es de gran ayuda para el mejoramiento de la gestión de los organismos internacionales. En ese sentido ha sido de gran importancia para la labor del Comité de Finanzas.

Al examinar los distintos informes de la DCI, el Comité decidió centrar su atención en los cuatro informes que guardaban especial relación con sus competencias:

- Reforma de la administración de justicia en el Sistema de las Naciones Unidas: opciones para la creación de una instancia superior de apelación (JIU/REP/2002/5);
- Actividades generadoras de ingresos del Sistema de las Naciones Unidas (JIU/REP/2002/6);
- Aplicación del multilingüismo en el Sistema de las Naciones Unidas (JIU/REP/2002/11);
- Gestión de la información en las organizaciones del Sistema de las Naciones Unidas: sistemas de información para la gestión (JIU/REP/2002/9).

El Comité coincidió con las detalladas explicaciones efectuadas por el Director General en cuanto a las recomendaciones formuladas por la DCI en sus informes. Agradeció que la mayor parte de

dichas recomendaciones las estuviera aplicando la Organización y encontró pertinente que sólo en dos casos las recomendaciones no se habían aceptado. Es importante señalar sobre este particular, que la propia DCI estaba muy conforme con las justificaciones entregadas por la Organización con respecto a la no aplicación de esos dos casos. En los párrafos 35 a 45 del informe figura un examen pormenorizado del Comité acerca de dichas cuestiones.

Pasivo de los costos de asistencia médica después del cese en el servicio. El Comité confirmó que las disposiciones vigentes sobre la financiación del pasivo de la asistencia médica después del cese en el servicio eran claramente insuficientes. Decidió que la cuestión debía ser abordada con carácter urgente, y acordó que el pasivo debería empezar a financiarse con cargo al presupuesto del Programa Ordinario.

En consecuencia, el Comité manifestó su acuerdo con la recomendación de la Secretaría de que la resolución relativa al presupuesto para 2004-2005 incluyera un importe de 14.1 millones de dólares EE.UU. equivalente al monto del pasivo que debería amortizarse durante el bienio. Dicha cantidad habría de ser revisada posteriormente en cada bienio y ajustada para reflejar la valoración actuarial más reciente.

En conclusión, puedo señalar sin duda alguna que los períodos de sesiones del Comité de Finanzas fueron muy fructíferos y, en particular, quiero destacar el extraordinario profesionalismo y grato ambiente que permitió analizar en profundidad una serie de importantes cuestiones financieras y presupuestarias de la Organización, muchas de ellas de gran complejidad. Como Presidente del Comité de Finanzas deseo expresar mi agradecimiento al trabajo abnegado de los Miembros del Comité, sin su comprensión no habríamos obtenido los resultados que en el día de hoy presento ante ustedes. Similarmente, en nombre de los Miembros del Comité desearía expresar nuestro aprecio a la Secretaría por la asistencia prestada a nuestras deliberaciones. Finalmente, nuestra gratitud a los Estados Miembros de la FAO por brindarnos esta oportunidad de contribuir a la trascendental labor de la Organización, en llevar un poco de esperanza a los millones de hambrientos en el mundo. Quedo a su disposición para proporcionarles cualesquiera otras explicaciones que puedan desear respecto a nuestros informes.

#### *8.2 Methodology for Equitable Geographic Distribution*

*8.2 Représentation géographique équitable*

*8.2 Metodología para la determinación de una distribución geográfica equitativa*

#### *8.3 Split Assessments*

*8.3 Recouvrement fractionné des contributions*

*8.3 Asignación de cuotas*

#### *8.4 Capital Budgeting*

*8.4 Budgétisation des investissements*

*8.4 Presupuestación de capital*

#### *8.5 Other Matters arising out of the Report*

*8.5 Autres questions découlant du rapport*

*8.5 Otras cuestiones planteadas en el informe*

### **LE PRÉSIDENT**

Mesdames, Messieurs, nous avons lu le rapport des cent-quatrième et cent-cinquième sessions du Comité financier. Comme indiqué sur notre Ordre du jour, nous avons plusieurs points 8, à savoir: 8.1 "Situation des contributions et des arriérés", 8.2 "Méthodologie pour une représentation géographique équitable", 8.3 "Mise en recouvrement fractionnée des contributions", 8.4 "Budgétisation des investissements" et 8.5 "Autres questions découlant du rapport". Je vous propose, si vous le voulez bien, d'aborder notre débat point par point. Peut-être que cela serait une méthode plus rapide, si vous n'y voyez pas d'inconvénients. Si vous acceptez cette procédure, Mme l'Ambassadeur de l'Italie peut prendre la parole.

**Ms Anna BLEFARI MELAZZI (Italy)**

It is a very good methodology but, if you can allow me, I have different statements that we put down with the European Union, not only item for item but also a general statement on the very good work of the Finance Committee so, I will read first the general statement and afterwards I will intervene point by point.

**LE PRÉSIDENT**

Dans ce cas, on peut procéder de la manière suivante: s'il y a des délégations qui souhaiteraient faire une déclaration générale sur le Rapport complet du Comité financier, elles peuvent le faire et ensuite on pourrait procéder point par point. Si cette procédure vous agréé, on pourrait procéder ainsi. Oui? Je n'y vois pas d'objection.

**Ms Anna BLEFARI MELAZZI (Italy)**

As usual I am speaking on behalf of the European Community and the 15 Member States, the 10 acceding countries to the European Union associate themselves to this statement. We thank the Finance Committee for its clear report, which we endorse.

We would like to make the following comments on this important agenda item. We note, with concern, that the Organization's overall financial situation continues to be weak seemingly the weakest among the major United Nations Agencies. The rise in payments of current assessments and the persistently high level of arrears are considered the most significant factors undermining the financial help of the Organization. We, therefore, urge Member States in arrears to pay up promptly, otherwise the Organization risks having to resort to external borrowing to meet its current obligations with additional costs.

It is also a source of concern to us that current arrangements for funding After-Service Medical Care liabilities are not sufficient and that there is an urgent need to face this problem. In this respect we agree with the Finance Committee's recommendation that unwanted liabilities for After-Service Medical cost should be regularly phased out through a phased funding plan starting with an amount of US\$ 14.1 million in the biennium 2004–2005. We also look forward to the results of the committee's further work on the cost and benefits of the scheme for After-Service Medical Care.

We follow with interest the increasing adoption of public sector and/or international accounting standards by public sector Organizations and in keeping with paragraph 12 of the Finance Committee Report we encourage the Secretariat to review the implications that such an adoption would have on the preparation and presentation of financial statements of the Organization.

We appreciate the timeliness with which the External Auditors' recommendations are being implemented. Yet we concur with the request that future reports include an indication of the timeframe when implementation of the recommendation would be completed.

We welcome the Finance Committee's initiative in requesting a paper on an oversight framework for the use of extra-budgetary funds for consideration by both the Finance and Programme Committees. We look forward to a discussion on this paper at the next meeting of the Committees.

In relation to the Programme of Work and Budget, we support the view expressed by the majority of the Finance Committee Members, that the human resources' action plan should be fully funded irrespective of the level of the budget eventually adopted.

As for the important issue of Equitable Geographic Distribution we encourage further progress in the determination of the best methodology to be applied. We note that there was no commonly shared opinion in the Finance Committee as to which option to choose among the three options submitted by the Secretariat. We could support the setting up of a Working Group as suggested by the Finance Committee, were this the only way to obtain more explanations of the underlining implications of any possible amendments to the current system. In this connection we would like to receive further details which can contribute to evaluating, not only the higher degree of

representation on its own right, but also the pros and cons of the new system in all its complex aspects and consequences. We have to make sure, in particular, that the Organization will benefit from the reform in the fulfillment of its statutory functions.

We wish, moreover, to stress the importance of a better management of FAO's activities which involve capital expenditure. The principle that capital investments should be planned and managed over more than one biennium is a sound one. It is also worth noting that such a principle is followed by many other Organizations. We consider the proposed facility particularly appropriate in that it fits within the FAO planning framework, allowing the Organization to deliver its programmes in a more cost-effective and efficient manner. We, therefore, concur with the establishment of a capital expenditure facility as endorsed by the Finance Committee. We also endorse the proposed amendments to the Financial Regulation No.6 as reviewed by the Committee on Constitutional and Legal Matters.

Last but not least, we fully endorse the introduction of a Split Assessment Methodology starting in 2004-2005 biennium as recommended by the Finance Committee. As it clearly emerged from the report a Split Assessment Methodology is the best way to protect the Organization from exchange rate fluctuations, thus safeguarding the implementation of FAO Programme Work in the interest of all the Membership. Since an estimated 44 percent of FAO expenditure is paid in euro, the Split Assessment Methodology would obviously allow the Organization to match its euro expenditures with its euro income. Thus, the need for FAO to resort to exchange transactions to meet its obligations in euro, would be largely avoided. Split Assessment has the advantage of reducing the exchange rate risk to which the Organization, as well as most of its Members, are exposed, not only within biennia but also between biennia. Hence the budget and the financial resources of the Organization would be protected to the maximum possible extent. Furthermore, adjustments between biennia would be drastically reduced.

#### **LE PRÉSIDENT**

Est-ce que d'autres délégations souhaiteraient faire des déclarations générales? Oui. Mme la Déléguée de Tanzanie.

#### **Ms Perpetua M. Simon HINGI (Tanzania, United Republic of)**

Tanzania has examined the report before us and has noted the various recommendations made by the Finance Committee, with particular attention to cost increases, phasing out of accrued liability for After-Service Medical Care, Split Assessment and Capital Budgeting.

Recognizing that investment income, which has been used to partially fund accrued liability for After-Service Medical Care in the past, was not likely to be sufficient to eliminate the future liability as expressed in paragraph 47 of the report, Tanzania would go along with the recommendation that the 2004-2005 budgetary resolution including an amount of US\$ 14.1 million and that an amount be reviewed in each subsequent biennium. We have also noted that there is a general agreement that the approved Programme of Work should be protected to the maximum extent possible from the effects of exchange rate fluctuation. However, noting that in the past these contributions were all made in one currency, also protection was for one currency, with the introduction of the euro in FAO's expenditure the protection of work programme in the traditional way becomes more complicated. This delegation has noted the proposed mechanism to protect the Programme of Work and Budget by Split Assessment. We feel that this is the best protection alternative and the Tanzania Delegation supports it.

With regard to capital budgeting, Tanzania supports the Committees conclusion on the establishment of a capital expenditure facility and the draft text of the proposed Financial Regulation 6.10.

We agree with the Committee that the issue on the Geographical Distribution Methodology is complex and sensitive. In this regard we support the proposal to establish a working group that will incorporate representatives from different regions of the Organization. It is our belief that the

working group will be able to critically work on it based on the criteria listed on the report under review.

**Sunggul SINAGA (Indonesia)**

We would like also to thank the Secretariat for preparing this fairly comprehensive report. As other previous speakers, I would like also to contribute our views on the issue on the methodological for Equitable Geographical Distribution and Split Assessment. Among options available on the methodology Equitable Geographic Distribution, we would like to support the Option 2 which introduces three variables, such as memberships, number of population, and the assessment of contributions, as the basis of the methodology with this. Option 2 allows Member countries to have more opportunities significantly to be represented in FAO and we wish also in regional and country offices. Therefore, we associate our interests with other Members who also support this option to be the basis of equitable distribution. Regarding the issue of Split Assessment we recognize that the fluctuation in exchange rates could create substantial budget increases and, therefore, we support the development of policy to protect the Programme of Work and Budget from the effect of currency fluctuations. We have no objections in supporting the purpose of Split assessment if this is the best we have available right now in solving the problem of increasing the budget because of external power in fluctuation of exchange rates that we cannot control.

**LE PRÉSIDENT**

Y a-t-il d'autres déclarations générales? Je vois, d'après les interventions de plusieurs délégations, celles de Madame l'Ambassadeur d'Italie, de la délégation de la Tanzanie et de la délégation de l'Indonésie, je vois donc que ces déclarations ont abordé tous les points, les points 8.1, 8.2, 8.3, 8.4 et 8.5. Ceci étant, je voudrais quand même revenir à ma proposition d'aborder point par point les questions en cours. Mais auparavant, j'avais demandé à M. Wade et au Secrétariat de nous faire une nouvelle présentation sur les répercussions de la mise en recouvrement fractionnée des contributions, parce qu'il m'a semblé d'après les contacts que j'ai eus depuis quelques temps que certaines délégations n'avaient pas une idée très claire des implications de ce recouvrement fractionné des contributions. Je crois que M. Wade est disposé à nous le faire et, mieux encore, avec une présentation Power Point. M. Wade, dès que vous êtes prêt, je vous donnerai la parole.

**Tony WADE (Director, Programme, Budget and Evaluation)**

**[This intervention is the commentary in support of a slide presentation]**

Our starting point is the policy framework which was approved by the Council at its last Session, when it confirmed the principle it had endorsed at its previous Session, that the Programme of Work should be protected to the maximum extent possible from the effects of fluctuating exchange rates. So we are assuming that there is agreement on this objective.

It is probably worth mentioning that a great deal of work has been done on this subject, in particular the Finance Committee which has met and discussed it at some considerable length on five separate occasions, including in its last three Committee meetings. In fact, it has been looking at the issue for some three years. In addition, we have obtained expert advice on the options under consideration; we sought this advice from a major international accounting firm and also from our Investment Advisory Committee.

What is the nature of the problem? FAO assessed contributions are currently one hundred percent in US dollars based upon the approved budget. FAO's expenditures - depending at what rate of exchange you quote, because I am talking about a percent of a dollar budget - at US\$1.15 to the euro, represent 54 percent of our budget spent in euro and 49 percent in dollars. So, 54 percent of our expenditure is in euro, but it has to be paid for by dollars in your assessed contributions. The only thing we can do, therefore, is to use the United States dollars to buy euros so that we can pay our euro bills, for example, staff costs in Rome, in Geneva, etc. The minute you start to consider buying one currency with another currency, you are in a situation where you have to face a potential exchange risk.

The 2002-2003 Budget was approved at 1 euro equals 88 cents. We therefore, as an example, have available US\$880 in our current budget to pay a Rome-based salary of 1 000 euros. However, today's rate of exchange is 1 euro equals US\$1.18 and therefore today, to pay the same 1 000 euros, we would have to find US\$1 180, that is US\$300 more than you gave us in the budget or 34 percent more for the same salary. This is the fluctuation and exchange rate risk that we are facing.

We have been able to address the problem in the short term and in fact during 2001, we entered into what is known as a Forward Purchase Contract for our estimated euro needs for that entire biennium. That is, we went to the money market and we arranged for all of our euro requirements for 2002-2003 to be made available on a monthly basis, and we agreed to pay for those requirements in dollars. We received a rate for the entire biennium of 88 cents to the euro. So even though today's rate is one euro equals US\$1.18, FAO in fact continues to pay 88 cents for its euro. So we are very well protected during the current biennium.

In passing, I mention of course, that there are costs associated with such contracts but they are well worth the protection they give you. The reality we face, however, is that contract runs out on 31 December 2003, just over a month from today, and from then onwards we will have to pay the market rate instead of the contract rate. There is no mechanism open to FAO that can protect us against this long-term risk. FAO could not have, at the beginning of this biennium, brought forward for the next biennium and the one after that and the one after that. Firstly, we do not have the authority; secondly, the market is not there for that sort of long-term purchase, and it is simply just not realistic to expect it to be possible. So there is no mechanism there to protect us against that risk in the market.

Let us look at this in terms of some figures, if I may. The top line of this table shows the euro requirements. This is a Zero Real Growth scenario from the PWB as a matter of interest, but it could be based on any set of figures. So we need €372.5 million regardless of the rate of exchange or whatever biennium we are in.

Our United States dollar requirements to fund those euro, however, depend on the rate of exchange. You will see that the rate of exchange is shown towards the top of the table in biennium one, take that as being this biennium 2002-2003, it is 0.880, that is, 88 cents to the euro. So that is why we need US\$327 million to buy our €372 million. Then we have our dollar requirements of US\$ 361.9 million, if you add it to the €327.8 you get the appropriation of US\$ 689.7 million. So that is the starting point for a given biennium.

Let us move into the next biennium and let us change nothing, in the sense of the amount of euro required for euro expenses or the amount of dollars required for dollar expenses. So the €372.5 million remains the same. However, the rate of exchange in our first example is 80 cents to the euro, as the dollar has got stronger, so we only need US\$298 million to buy those same euros. We add it to the US\$361.9 million that we needed anyway, and we come up with a new appropriation in dollars of US\$ 659.9 million. Notice that we have gone down US\$ 29.8 million just because of that rate of exchange difference, there is no change in the Programme of Work, no change in the figures in dollars or euros, you will see they are the same, but we need in dollar terms US\$ 29.8 million less than we needed before. A favourable variance.

The last column and I apologise, there is an error in the last column in the heading, the rate of exchange I used was €1=US\$1.15. Again, at the same euro requirement, US\$ 1.15/€1 would produce dollar needs of US\$ 428 million. Add that to the original dollar requirement for dollar expenses of US\$ 361.9 and we have a total of US\$ 790.3. That is US\$100 million more than the US\$ 689 that we required in the first biennium.

The purpose of this table is to indicate to you that this exchange rate does not affect our requirements in euro, or our requirements in dollars under Split Assessment, it affects the statement of the amount in United States dollar terms. It is the bottom line that is changing, but the figure for euro requirements, €372.5, and the figure for US dollar requirements, US\$ 361.9, did not change in any of those scenarios.

In fact, our objective is to match income and expenditure. We intend to make sure that we have €372 million coming in income to match the €372 million planned expenditures, and similarly the same for dollars. So the role of split assessment is therefore a method for ensuring that the Organization's income matches its expenditure in these two major currencies, euro and dollars.

Split assessment is not a method for setting the budget. Split Assessment can be applied to 500 million, to 700 million, to 900 million, it makes no difference, it is a question of matching income and expenditure by currency.

Split assessment does, however, presumably change the definition of an expression that we all use in FAO, Zero Nominal Growth, because presumably Zero Nominal Growth means no change in your assessments. And if they are stated in euros and dollars, and they do not change, that would Zero Nominal Growth. But this is not about setting the level of the budget; this is about defining how words are used.

Briefly going through the advantages and disadvantages of Split Assessment: First of all, Split Assessment matches income to expenditure by major currency. Secondly, it therefore protects the Programme of Work from gains and losses on exchange over the short-term and the long-term. Thirdly, it ensures the equal treatment of all Members; that is, all Members share in the exchange risk, because all Members pay part in dollars and part in euros. But curiously it reduces the exchange risk that most Members face. Because you would be assessed in euros and dollars, the change from one biennium to the next, in terms of your own local currency will generally be more stable under Split Assessment than it would be without it. At the moment, most Members face a conversion into US dollars only. By facing a conversion into a mix of US dollars and euro, you inevitably face a reduced variation in the amount you have to pay, due to this factor. We did an exercise to compare that effect in all Member Nations, and we found that only about six or seven Member Nations do not gain from this process. They are, of course, generally those that are US dollar-based.

Finally, this methodology avoids fees on the forward purchase contract, so it is from the market point of view, more economical. It does have disadvantages; however, it does require the Secretariat to send calls for funds letters to each Member, and to ask you for the subsequent payment in two currencies. So there is an inconvenience to you and inconvenience to us. It requires a more sophisticated reporting capacity because we have to separate the currency effect from performance, and it requires more active currency management on our part.

The FAO Secretariat and the Finance Committee did not come to this conclusion on our own; you are not just relying on the expertise of myself and Mr Nelson, the Director of Finance, or on the Membership of the Finance Committee. First of all, we asked the FAO Investment Advisory Committee, which consists of experts in investment management (e.g. the Deputy Director of International Bank of Settlements (BIS) is on the Advisory Committee, we have a representative from the European Bank of Reconstruction and Development (EBRD). We now have one from the World Bank and one from the IMF. These are the sorts of people who are providing the Director-General with advice on our overall investment policy.

I quote from their report in 2000 when they said "the best alternative to reducing dependence on hedging was to have an appropriate portion of contributions pledged in euros". They were, in fact, anticipating the need for Split Assessment, before it was first discussed by the Finance Committee.

The Finance Committee itself asked us to get expert advice. We went to KPMG. KPMG is the fourth largest accounting firm in the world, their annual revenues exceed US\$3 billion and they have professional staff of more than 10 000, so they should have the sort of expertise we need. They were categorical: this option has the strong advantage of providing protection to FAO's Programme of Work in the long run, so we believe Split Assessment is the single most effective hedging strategy in FAO.

The conclusions on Split Assessment as the proposed solution are that: the problem is real and a sustainable solution is urgently required; split assessment is used by other agencies in similar



circumstances, UNESCO, IAEA, it is not used by many agencies but many agencies do not face the sort of split in currency that we have. Most of the Geneva-based Agencies largely spend in Swiss francs and therefore have a Swiss franc-based assessment; they do not need Split Assessment.

It is, as I have indicated, the approach recommended through external advice and incidentally, it was supported at a very early stage by the External Auditor of that time, the *Cour des Comptes* of France.

I would like to turn briefly to a couple of other aspects, and in fact I will shortly hand over to my colleague, Mr Nelson, who is the Director of Finance, who will explain to you the impact on Members in terms of assessments. But for the budget, I just want to comment that under the current approach, the budget is stated in US dollars - this is the document we put before you in Council and Conference - at a budgeted rate of exchange for the previous biennium, so you will find all the programme tables in your document, that you have before you at the moment, are at €1=US\$0.880. It is only in the Resources part of the document that we do the conversion. But in those programme tables in the main part of the document you do see the costing increases.

Under Split Assessment and the new methodology, the budget will still be stated in US dollars, the Programme change will be shown at the budget rate of exchange for the previous biennium. However, each programme table will include information about the cost increases applying to that programme and information on the exchange effect of a new budget rate on that programme. What we are trying to improve here, at the request of the Finance Committee, is the transparency of the budget document, so that you can see the consequences of each factor separately - so you can identify cause and effect. What is a programme change, what is a change in the real value of purchasing power allocated to that programme, versus what is money to cover inflation versus what is money to cover the exchange rate effect.

I would mention in passing that we would propose to set the budget rate on 1 July, on the second year of the biennium, for the subsequent biennium, and we would use the forward rate at that date. The big advantage of this would be that your budget document would be settled at a budget rate and would be final - the figures would be the figures that you would live with subsequently. At the moment, our budget document will in any case have to be revised to reflect a new rate of exchange.

**Nicholas NELSON (Director, Finance Division)**

If I may take you through some basics concerning members assessed contributions and to describe the current approach for the call for funds when payment is due is that we issue an annual call letter to each Member with the amount due in the United States dollars.

As per Financial Regulation 5.5, the payment is due in full in US dollars as of the first of January.

Under the proposed approach the annual call letter to each Member, would contain two assessment amounts, one in US dollars and one in Euro based on the currency proportion approved by the Conference. The payment would remain due in full but in this case in both of the currencies, US dollars and Euro as of first of January.

In case of partial payments, the current approach is that it is simply applied to the full US dollar amount due. In case there is a full or even a partial payment in a currency that is not US dollars it is converted to US dollars at the current rate or the rate as of first of January when the obligation became due, whichever is more favourable to FAO. Again this is spelled out in Financial Regulation 5.6. And of course the proceeds of that conversion are applied against the US dollar amount due.

Under the proposed approach, in case of partial payments, whether this be in US dollars or Euro we would simply apply the percentage apportionment approved by the Conference to the single currency. The currency not paid would be calculated by converting the portion of the amount received at the current rate or at the rate of the first of January, whichever is more favourable to the Organization. The credit would then be applied to both currencies due. An aspect to mention

here is this draws upon sixteen years of experience at UNESCO where the Membership has come to expect this very linear application for any partial payments or payments in a currency which is not the assessed currency.

In case of arrears, the treatment today is that the unpaid balance of contributions in US dollars are considered to be in arrears on the first of January of the following calendar year in accordance with Financial Regulation 5.5 and the various sanctions provided in the Basic Texts apply when arrears are equal to or more than the sum of US dollars contributions due for the preceding two calendar years.

Under the proposed approach there would be a note change in the timing of arrears, the one calendar year lateness would still apply to be termed arrears.

The feature also replicated from UNESCO is that the unpaid Euro balances at year end would be converted into US dollars which is the functional currency of the Organization and remain payable in US dollars at the exchange rate most favourable to the Organization whether that be the budget rate, the average UN rate of the assessment year or the UN rate as of 31 December of the assessment year.

Arrears from then onwards remain due and are expressed in US dollars only including for the determination for the provisions Basic Text sanctions.

**Tony WADE (Director, Programme, Budget and Evaluation)**

Just to finalize our presentation if I may. I would like to preface this by saying that the problem we seem to be running into is that we are mixing two issues: one issue being Split Assessment itself and the other issue being the budget level.

Split Assessment however is about matching income to expenditure for the Organization. Making sure that we receive Euros to cover our Euro expenditure and US dollars to cover everything else and from that aspect these conclusions apply.

Split Assessment has been judged by qualified experts as being the single most effective strategy for protecting FAO's Programme of Work against exchange rates in the long term. As you know the Finance Committee recommends adoption of Split Assessment for 2004-2005 and it has transmitted the changes in the financial regulations to you for your endorsement.

In conclusion, the Director-General urges the Council to endorse this sound technical solution to a technical problem.

**LE PRÉSIDENT**

Je crois que c'était une présentation assez détaillée et précise et j'ouvre donc le débat aux commentaires.

**Gabriel G. LOMBIN (Nigeria)**

Let me briefly comment on the entire report before I come to the Split Assessment issue. The Nigerian delegation has no objection in endorsing the after service medical care as it is totally within the budget. The concern of the Capital budget that is indicated in the budget book, Nigeria has no objection and we endorse it.

With respect to the Split Assessment, I believe this issue has been thoroughly discussed. I must congratulate the Secretariat for being so patient with the Council and giving us all the details we need as it is important. At least you feel assured that the support you are getting is not on sentiment but purely on hard facts and figures.

Mr Wade has done an excellent job in explaining the advantages of the Split Assessment and the effect it would have in protecting the Programme of Work. Also the effect it will have in giving us assurances that what we budget will reflect the correct picture, rather than budgeting the figures and then hope for fluctuations varies in the exchange rate market.

Nigeria fully supports the Split Assessment and I would want it to take effect immediately and hopefully by January 2004.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Al igual que el representante de Nigeria, quisiera agradecer la explicación de la Secretaría con respecto a la asignación en dos monedas. Lamentablemente mi país no está a favor de esta medida, por el contrario, creemos que nos trae costos altos que no estamos en capacidad de poder absolver. Creemos además que hay otras organizaciones que no están adoptando este tipo de sistema; incluso aquí en Roma existen organizaciones que usan sistemas diferentes para protegerse de las fluctuaciones del tipo de cambio, de modo que me parecería tal vez oportuno revisar también estas posibilidades. Creemos que una medida de esta naturaleza que implicará un incremento de nuestras contribuciones, directa o indirectamente, cuando la ejecución de los proyectos que tiene la Organización en otras partes del mundo está manejada en dólares norteamericanos, no sería un beneficio para Chile ni para nuestra región, por lo cual, repito, no estamos en absoluto de acuerdo con esta medida.

**Moungui MÉDI (Cameroun)**

Nous voulons tout d'abord remercier M. Wade pour la présentation. Je pense que c'est un débat qui est en cours depuis un certain temps et qui continue de l'être. J'aimerais seulement ne pas revenir sur l'argument car celui-ci a déjà été amplement discuté. Les éléments présentés par M. Wade sont édifiants et validés dans un premier temps par des avis d'experts. N'étant pas des experts en la matière, si des avis nous sont proposés nous ne pouvons que les entériner ou les réfuter si nous pensons qu'ils ne nous conviennent pas suffisamment. Lorsque nous avons étudié depuis toujours dans le Comité les propositions des avis des experts, ils nous ont suffisamment convaincus et nous pensons que le Comité financier a accepté de présenter ce problème ici avec sa position et nous pouvons également lui faire confiance car il a fait son travail.

Nous n'avons pour le moment pas d'autres alternatives parce que nous savons que ce problème est réel et qu'une solution durable est nécessaire. Nous n'avons pas besoin de tergiverser pour dire aujourd'hui que nous allons faire ceci, demain nous allons faire cela. Nous avons besoin de voir plus loin et pour cela nous n'avons que la seule solution qui nous permet d'être réalistes à long terme. Cette solution nous est proposée aujourd'hui et la délégation du Cameroun, qui supporte totalement la position de la délégation du Nigeria, ne fait que confirmer ce que le Cameroun a également soutenu lors de la préparation pendant le Comité du Programme sur cette question et pendant le Conseil de juin de cette année. Nous entérinons ici totalement cette proposition du Directeur général.

**KIM SOO IL (Korea, Republic of)**

The split assessment is a new system that FAO is planning to introduce in order to incorporate the foreign currency fluctuations. We are not opposed to the system but we must be somewhat prudent in operating this. Most over, even if we introduce the Split Assessment to secure FAO's financial operation, it would be difficult to accept the system if it imposed too much burden on the Member Nations with rate differences of split currencies. The burden that comes from the foreign currency fluctuation risk must be shared equally between FAO and Member Nations. When setting the rate we must allow some time for Member Nations who must accept the split cost to express their view and review the decision of FAO.

If FAO decides to set the rate to pursue financial soundness of its own Organization the Members will have to carry their unexpected extra burden. So we will have to give time for Members to discuss the rate.

Even if the purpose is to minimize the risk of foreign currency fluctuation it would be very difficult to spend too much time in coordinating the rate. The cycle of the rate determination and the application should be short.

**Víctor Hugo MORALES MELÉNDEZ (México)**

Estoy un poco perturbado por el camino que está llevando este tema; en primer lugar porque pensaba que podíamos ver uno por uno los subtemas del tema 8, pero estamos concentrados en el 8.3. En consecuencia, quisiera llamar la atención a la consideración del Consejo que no estamos examinando el documento CL 125/12. En el documento que acabo de señalar está explicada de manera detallada la metodología y el proyecto de resolución para modificar el Artículo V del Reglamento Financiero. Por lo tanto, entiendo que en esta sesión no estaríamos aprobando el párrafo 31 de dicho documento y que por ahora sólo estamos tomando nota de lo dicho y expresado por el Comité de Finanzas, pero cuando el Consejo vea detalladamente el CL 125/12 estaríamos pues viendo la posibilidad de si se aprueba o no el párrafo 31 de dicho documento. Quizás estoy equivocado, pero entiendo que es así.

Mi delegación considera que sin duda es necesario proteger los recursos y el programa de la FAO. Eso ya lo había decidido este Consejo en su anterior período de sesiones. Sin embargo, una vez hecho el análisis de la cantidad de moneda nacional que México debería desembolsar si se adopta el sistema propuesto, hemos notado que será bastante más elevada en las condiciones actuales de mercado. En ese sentido consideramos que es necesario ser cautos y que por eso, por ahora, no podríamos apoyar este proyecto de programa en la medida en que implica costos adicionales a los Estados Miembros.

Le quería preguntar si podría también considerar los subtemas 8.1, 8.2 y 8.5. En relación con el 8.1, Estado de las Cuotas y de los Atrasos, mi delegación desde luego lamenta profundamente la grave situación financiera de esta organización que mucho aprecia y que tanto ha hecho a favor de la agricultura y la disminución del hambre en el mundo. Un aspecto recurrente de esta situación es el atraso de los pagos. Quizás sería conveniente que el Consejo haga un llamado para resolver, en la medida de lo posible el problema de los atrasos de cuotas. Hay países que han sufrido calamidades o situaciones de emergencia que no les permiten cubrir sus deudas con la FAO, pero hay otros que no sufrieron una situación similar, por lo que sería conveniente que se tomaran las medidas necesarias para cubrir los retrasos de las cuotas que tienen con esta organización.

En relación con el 8.2, relativo a la Metodología para la Determinación de una Distribución Geográfica Equitativa, mi delegación está de acuerdo en la creación de un grupo de trabajo para avanzar en dicha metodología. La creación del grupo facilitaría el diálogo entre las regiones para avanzar en una solución de consenso antes de someter la metodología a los órganos de decisión. El grupo debe considerar y estudiar las tres opciones propuestas, pero también tomar en consideración las referencias y las tendencias que ya se han marcado, tanto en el anterior período de sesiones, como las que se expresen en este.

Y finalmente, sobre el 8.5, en realidad me referiré al 105º período de sesiones del Comité de Finanzas, documento CL 125/11; los principales temas que trató el Comité se refieren al PMA y mi delegación quiere hacer referencia a esta situación. Para nosotros sería conveniente que el Presidente en turno del Comité de Finanzas pudiera presentar a la Junta Ejecutiva del PMA dicho informe, lo que daría un mayor sentido y una mayor eficacia a la labor del Comité de Finanzas en el examen de los temas financieros del PMA.

**Oswaldo DEL ÁGUILA RAMÍREZ (Perú)**

En esta oportunidad nos vamos a referir al tema 8.3, Asignación de Cuotas en dos Monedas. La delegación del Perú desea expresar que, en esta oportunidad, no podrá acompañar la recomendación del Comité de Finanzas para la adopción de una metodología de asignación de cuotas en dos monedas a partir del próximo bienio. Hemos adoptado esta decisión al examinarla y concluir que no es conveniente para nuestras economías asumir compromisos financieros con una moneda como el Euro, que hace más de un año observa una constante tendencia a la reevaluación. Como es público, en la actualidad el Euro tiene un valor de casi un 20 por ciento superior al dólar, que es la moneda de referencia para nuestras economías. Comprometernos al pago del 48 por ciento de nuestras cuotas en Euros, significaría mayores gastos en los presupuestos, ya que si la

situación continúa como en la actualidad, requeriremos de mayores montos en moneda nacional para adquirir un Euro cada vez más fuerte. Somos plenamente conscientes de las dificultades que enfrenta el presupuesto de la Organización por la fluctuación de los tipos de cambio, pero, adoptar esta metodología tal como está planteada, significaría mayores dificultades para los diversos Estados Miembros que hoy cuentan con atrasos en el pago de sus cuotas y, por lo tanto, mayores dificultades financieras para la organización.

El Perú hace grandes esfuerzos para cumplir con sus compromisos financieros con la FAO y lo seguirá efectuando en el futuro; sin embargo, comprometernos al pago de obligaciones en Euro, constituiría una pesada carga en nuestro presupuesto que no estamos en posibilidad de asumir en la actualidad.

**Ambroise N. OUEDRAOGO (Burkina Faso)**

Permettez-moi tout d'abord de remercier le Secrétariat pour ses efforts de clarté dans la rédaction du document qui nous a été présenté. Nous remercions aussi nos différents représentants au niveau des différents comités parce qu'ils nous ont aidés aussi à comprendre quelques détails et les sensibilités des questions qui sont abordées ce soir. D'abord la question de procédure, je suis un peu perdu parce que j'avais compris que nous aurions fait des interventions d'ordre général et que nous aurions procédé par sous points et enfin décidé. Maintenant j'ai compris que nous pouvons intervenir de façon générale, et je vous remercie. Il y a quelques questions sur lesquelles ma délégation va revenir.

Au niveau des arriérés, nous pensons, comme certains qui nous ont précédés, qu'il faut absolument prendre une décision lors de ces réunions parce que si notre Organisation veut sa souveraineté, et s'en sortir, la question financière est importante. Les contributions font aussi partie de l'effort et de la considération que nous apportons à cette Organisation à laquelle nous tenons et nous reconnaissons que l'agriculture, l'élevage, la pêche, etc. sont une très grande contribution dans le budget et aussi dans la lutte contre la pauvreté parce que nous n'ignorons pas que ces pauvres sont plus nombreux dans les pays en développement. De ce point de vue, nous pensons que les contributions des États font partie des efforts nationaux nécessaires pour lutter contre la faim dans leur pays. Bien sûr, il peut y avoir de nombreuses exceptions mais il convient que ces pays qui sont dans des situations particulières et exceptionnelles puissent introduire des recours, au niveau de l'Organisation. Sinon, je crois que nous sommes en train d'entrer dans des situations financières de plus en plus difficiles.

L'autre point c'est la question de la représentation géographique équitable. Nous approuvons le processus de mise en place d'un groupe de travail parce que cela permet de mieux s'expliquer, de mieux comprendre les différents scénarios, etc. Nous attirons donc votre attention sur le fait qu'il serait dommage que le poids financier ait une grande incidence sur la représentation géographique. Il serait bon de prendre en compte tous les aspects et de voir un peu s'il y a des pondérations pour ne pas créer beaucoup de divergences parce que, qu'on le veuille ou non, si nous voulons la qualité et non la quantité dans la représentation, nous pensons que les populations-cibles sont importantes à ce niveau.

En ce qui concerne la question du fractionnement des contributions, nous nous sommes beaucoup réjoui des présentations du Comité financier et de M. Wade qui montraient réellement des incidences pour l'Organisation, pour le financement de ses activités. De ce point de vue, nous pensons qu'il faut résolument adopter cette approche qui nous a permis d'avancer parce que ce n'est pas la première fois que la question se représente. Nous avons compris que la question a connu des évolutions dans la précision, dans les risques, etc. et nous pensons, sans être des spécialistes en matière de finances, que ce sont des questions relativement aléatoires. Aujourd'hui, l'Euro est à la hausse, demain nous ne savons pas quelle monnaie le sera. De ce point de vue, il faut quand même avancer. Pour cela, nous pensons qu'on devrait pouvoir avancer sur cette question.

**Flávio MIRAGAIA PERRI (Brazil)**

I understand that the Split Assessment proposal intends to protect the Programme of Work and Budget from the facts of fluctuating exchange rates but Brazil is seriously concerned that the Split Assessment proposal represents the absorption of the exchange risks by Member Nations having a potential financial extra-boarding to national budgets. The proposal comes over and above the issue of the proposed revision of the budget. We cannot separate both procedures.

Brazil is in serious difficulty of discussing both subjects under different agenda items because of the end result. The end result tends to be the same. We all know that my country is adopting a very rigid fiscal policy which often implies severe cuts in our expenditures. It is true for all of us in the diplomatic career in our expenses here in Europe for each of our Embassies and delegations and so on.

The current fiscal and budgetary policies in Brazil, as well as in other developing countries, result from the common understanding that those policies would also be beneficial to a balanced reorganization of the global economy. That is the reason why we engaged our policies in that direction.

Coming to the point, of course I appreciate the good explanation given by experts, however I cannot agree with this Split Assessment proposal. It is very simple to understand that, at present, Brazil cannot bear the burden of any new added values in its contribution to any international organizations. We may make the effort in years to come. The economy in Brazil is really getting into good shape and we expect, in a few years, to have the necessary conditions to pay for what the Organization is calling us to do now. My suggestion is that we go on discussing the possibility of adopting, in the future, this Split Assessment proposal. We need more time. We have to have more time for a more complete and correct appreciation of the impacts of the proposal.

**Ms Ryuko INOUE (Japan)**

Regarding the Split Assessment, there are so many talking points pro and con. Japan stresses that we can support the direction to introduce Split Assessment in the medium and long term, however regarding timing of introduction, our suggestion is not next biennium, but the 2006-2007, in order to minimize the burden of member countries for preparation. But we have no intention to block making the consensus in this Council. Our limited support is under the condition and understanding that, firstly, member countries should make the final decision of how to handle the exchange rate variance in the PWB discussion, after receiving enough information from the Secretariat. It means that the Secretariat should not expect to get enough euro requirements under the depreciation of the euro against the dollar. The reason why we can support Split Assessment comes from the risk of exchange fluctuation between the time when PWB is approved and the time when PWB is executed had better be protected.

On the other hand, the risk of exchange rate between the different biennia should not be taken for granted. Please think about the management of governments and private entities. Every organization has to absorb the risk of exchange rates into its management in the globalized world. We would like to ask the Secretariat of FAO to do so basically.

Secondly, below Zero Nominal Growth scenario budget scale which we support means it is not on the basis of Split Assessment, but on the calculation of dollar base. We will keep the same stance because the dollar will still be the functional currency anyway. We would like to remind you that the discussion of the budget scale at this stage is not to be based on the introduction of the Split Assessment.

Also, I would like to refer to the Methodology of the Determination of Equitable Geographic Distribution. Among the three options elaborated by the Secretariat, Japan, as a member of the Finance Committee, and an Asian country, supports Option 2 for the following reasons. Firstly, Japan believes that the uniformity in regulations and systems within the UN is important, and, in this regard, supports the idea of introducing the three factors namely Membership, population and

assessed contribution, all of which have been already adopted by most of the UN agencies. If my understanding is right, the majority of the Finance Committee members were in favour of Option 2, though we have no objection that the Council consider the establishment of a Working Group to review this issue referred by the Italian Ambassador.

**Carlos Mauricio CHANOVE (Bolivia)**

Hemos presenciado con mucha atención la posición de la Secretaría respecto a la metodología de la asignación de cuotas en dos monedas y nos parece un trabajo interesante, pero no estamos en condiciones de respaldar esa recomendación debido a que, en gran parte de los países de la región de América Latina y, especialmente en Bolivia, los organismos financieros internacionales han recomendado que se adopten políticas de austeridad y eso implica recortes en el presupuesto general de la nación, inhibiéndonos de efectuar mayores contribuciones a los diferentes organismos a los cuales pertenecemos. Asimismo, en lo que se refiere específicamente a los aportes en dos monedas, ello significaría un incremento indirecto en las contribuciones de los Países Miembros de la Organización. Es por esta razón que no estamos, en este momento, con posibilidades de apoyar esa recomendación. Pero, me permitiría hacer una sugerencia "naïf": los países que tienen el patrón monetario en Euros, deberían trabajar en esta moneda y dejarnos un margen de tiempo a los que pertenecemos al área dólar y que no podemos hacer un esfuerzo adicional al que ya nos representa el adquirir dólares para cubrir nuestras obligaciones con los organismos internacionales.

**Govindan NAIR (India)**

India has always supported the work of FAO and we have consistently pressed for strengthening and expansion of its activities. This attitude determines our position on the matter of Split Assessments as well. Having said that, let me turn to the matter of the methodology for equitable geographic distribution. We are disappointed that despite the categorical mandate given by the Council, the issue has not made any progress. The option of a Working Group to further consider the issue, in our opinion, is not in keeping with the endorsement of the broad concept already obtained. We are firmly of the view that the sooner the prevailing archaic and antiquated methodology is put to rest, the better. We urge that a concrete proposal for rectifying the imbalances in recruitment and doing away with the accent on financial contributions is brought forward without delay.

FAO is in the ultimate analysis an Organization for fostering excellence in agriculture and kindred disciplines. We must, therefore, have a system which accords private place to merit with due regard to regional need, experience and aspirations.

**Costa Ricky MAHALU (Tanzania, United Republic of)**

I would like to request you to allow Senegal to take the floor.

**Moussa Bocar LY (Observateur du Sénégal)**

Le Sénégal a le plaisir de parler au nom de l'Afrique parce que celle-ci fait partie de la composante essentielle dans la FAO, dans la mesure où la majorité du continent africain est rurale. L'Afrique félicite d'abord le Comité financier pour son rapport. Le rapport exécutif est clair et est le fruit du professionnalisme de ses membres, comme l'a rappelé tout à l'heure le Président. L'Afrique remercie également M. Wade pour sa présentation dans le dossier, parce que c'est un dossier, de la mise en recouvrement fractionnée des contributions. C'est un exercice difficile, un exercice instructif. L'Afrique, qui cherche des moyens pour accroître l'efficacité au niveau de la FAO pour lui permettre de répondre aux enjeux, appuie fortement la mise en recouvrement fractionnée des contributions.

**Ms Anna BLEFARI MELAZZI (Italy)**

I am as usual speaking on behalf of the European Community and its 15 Member States, the ten acceding countries to the European Union associate themselves to this statement.

I have asked for the floor to make a further statement, on two points which are under discussion. The first point concerns the Split Assessment, and the second is on the Status of Contributions and Arrears.

Insofar as the Split Assessment is concerned, the European Union is greatly surprised by the hesitations expressed by some Members on the introduction of the Split Assessment system in FAO, since Split Assessment would give a significant contribution to the Organization's financial stability. We are strongly convinced that Split Assessment is the best solution to protect the budget to the largest possible extent from exchange rate risks, which exist anywhere, the fluctuations are still going on and therefore contribute to preserving the resources needed to pursue FAO objectives. Split Assessment would ensure stability and predictability for the Organization and its members alike, not all of them, but most of the Members.

This is particularly important at a time when we have all committed ourselves to undertaking all possible efforts to alleviate and reduce poverty. It is our opinion that FAO will be hardly able to play its role under current constraints. For these reasons, the European Union is particularly concerned about the risk of an eventual lack of decision on the item of Split Assessment. A failure in the introduction of the Split Assessment will further negatively influence the difficult financial situation faced by FAO.

Let me stress that current financial difficulties mainly stem from the exchange rate evolution and the lack of a permanent protection system. Hedging the budget during the biennium as has been done so far, does not protect the Organization from exchange rate fluctuations over the longer term.

Split Assessment has the advantage of reducing the exchange rate risk to which the Organization, as well as most of its Members, are exposed not only within biennia but also between biennia. Current difficulties are proof of the lack of a Split Assessment methodology.

The European Union considers that an introduction of a Split Assessment also benefits the membership, as it diversifies the exchange rate risk. As the proposed amount is Split among the dollar and the euro almost at equal rates, losses in one of the two currencies will be evened out almost entirely by gains of the other currency. This works both ways, no matter which of the currencies is rising. Countries that have other currencies can take advantage of this diversification effect.

We would like to recall that the Finance Committee, in its Hundred and Fourth Session, held from 15-19 September 2003, "recommended the adoption of the Split Assessment methodology beginning with the 2004-2005 biennium, for endorsement by the Council". Furthermore, in the Report of the above Session of the Finance Committee, it is clearly stated that "the Secretariat noted that the use of Split Assessment does not preclude discretion on the part of the membership in determining whatever budget level it thinks fit".

We therefore invite Members now questioning the introduction of Split Assessment to reflect on the serious consequences of a lack of consensus on this item and revise their decision in order for the Conference to adopt Split Assessment as of the next biennium.

At the end of my statement on Split Assessment, I would like to thank the Secretariat for the explanation they gave and I think that the Secretariat should hold an open session to advise Member Nations who want to have further explanations to do so, because this might be very helpful to clarify some difficulties in interpretation that I have detected in the interventions of some of the colleagues. I still see that there are some difficulties understanding of the system.

I have some points to ask, as the Italian delegate to the Secretariat. Why the currency of reference is still the United States dollar, instead of the Euro in spite of the fact that as we saw in our previous film, that 54 percent of the expenditure of our budget are in Euro.

Insofar as the Status of Contributions and Arrears is concerned, I want to reiterate that in view of the European Union, the situation concerning the payment of assessed contributions and the status of arrears due by Member Nations to the Organization, is a matter of vital importance especially



in light of the critical financial situation of FAO. Delays in payment of mandatory contributions may result in the necessity for FAO to seek external borrowing to meet its current obligations. This not only weakens the overall financial situation of the Organization, but represents an additional cost. It would be useful if such costs could be calculated and brought to the attention of the Governing Bodies.

The present situation is a source of serious concern, as it affects the capacity of FAO to carry out its mandate and implement its programmes in an efficient and effective manner in the interests of all Member Nations. Until now, the incentive scheme to encourage prompt payment of contributions does not seem to have produced significant changes in the timeliness of the payment of assessed contributions.

**James BUTLER (United States of America)**

The United States appreciates the opportunity to address the Council. We remain a strong supporter of FAO and its vital mission to address global hunger and poverty reduction. We want to continue to be an active partner and to work with FAO and its Member Nations towards those goals.

FAO's priorities are a keen interest to us, this agency has come to live up to the call to be an ever-better Organization in the pursuit of its goals and objectives in the transparent and accountable use of resources entrusted to its Member Nations.

I would like to comment on a few of the financial and administrative issues, including Split Assessments, Capital Budgeting and Geographic Representation. As you recall, we made a statement regarding our views on Split Assessments this morning.

On Capital Budgeting, the United States supports more flexible and transparent process in funding capital projects as a way to bring greater efficiency and a better service to the Organization and its customers. However, we do want to ensure that it is implemented in an efficient manner, the system of accounting and controls must ensure that there is no double counting of capital expenditures regarding regular and capital budgets.

Regarding Geographic Representation, the United States believes that any proposal to change the distribution which must include an action on explicit measures to the Secretariat, will undertake to ensure that the under-represented countries become equally represented. Further, we believe measures to address the under-representation should be limited to individual Member Nations, and should not be further complicated and potentially skewed by including any perceived regional under-representation. Concretely addressing the under-representation of Members should automatically address any concerns that some Members might have regarding regional representation issues. We also need to be sure that the measures are concrete, workable and will be implemented. Simultaneously, we support the establishment of a working group to consider the methodology for determining geographic distribution.

**KIM SOO IL (Korea, Republic of)**

I would like to make a brief comment on the Methodology of Determining the Equitable Geographic Distribution.

Concerning the methodology for determining equitable geographic distribution, we agree that what FAO reviewed is more objective and reasonable than the existing methodology. We do need the methodology or standard for determining equitable geographic distribution in conducting FAO recruitment, but it would be more important for FAO to show willingness to improve the current under-represented situation. Without FAO's active engagement to improve the seriously under-represented circumstances, there will be no point in having a regional methodology.

We welcome FAO's recent effort to despatch the recruiting staff directly to under-represented countries and improve the recruitment situation. Could we ask FAO's for more efforts because we are not seeing any tangible results.

## LE PRÉSIDENT

Est-ce qu'il y a d'autres interventions? Très bien, la proposition au début du traitement du Point 8 d'examiner point par point n'a pas été suivie d'effet, je crois que nous avons traité tous les points mais je pense que les deux points qui ont recueillis le plus d'interventions ont été les points 8.2 et 8.3.

En ce qui concerne le point 8.2, je crois qu'un consensus s'est dégagé sur la création d'un Groupe de travail pour mieux apprécier les nouvelles propositions pour une nouvelle méthode de représentation géographique équitable et je pense que là nous avons un consensus.

En revanche, en ce qui concerne le recouvrement fractionné des contributions, là manifestement il n'y a pas de consensus. Le Conseil est très divisé et nous avons une proposition de Mme l'Ambassadeur d'Italie pour l'organisation d'une session ouverte avec le Secrétariat afin que celui-ci puisse apporter quelques précisions et lever certains doutes. Je pense qu'il s'agit là d'une bonne proposition et qu'au cours des deux prochains jours le Secrétariat pourra organiser une session ouverte où chacun pourra venir et obtenir des précisions supplémentaires sur ce que signifierait pour son pays le recouvrement fractionné des contributions.

Ceci étant, je voudrais tout de même donner à nouveau la parole au Président du Comité financier pour apporter quelques précisions sur les remarques qui ont été faites au cours de notre débat.

### **H.O. MOLINA REYES (Presidente del Comité de Finanzas)**

Creo que la presentación que ha hecho la Secretaría ha sido bastante esclarecedora con respecto a la metodología en la adopción de dos monedas. Entiendo y creo que ha sido parte del análisis del Comité de Finanzas justamente muchas de las preocupaciones manifestadas en términos de cuál es el mejor método de protección. Ahora también creo entender que las delegaciones que están en oposición al empleo de esta metodología en realidad no están en contra de la aplicación de la metodología, sino más bien estarían en contra de los costos que ésta implica en la actualidad para estos Estados Miembros. Este fue un punto que conversamos en el Comité de Finanzas, en realidad la coyuntura económica es bastante desfavorable para la aplicación de un sistema que efectivamente tiene una diferenciación que hoy es del orden de un 20 por ciento entre una moneda y la otra. Si las circunstancias económicas fueran distintas, es decir, si la diferencia entre ambas monedas fuera menor seguramente habría un número mayor de delegaciones que hoy se oponen que la apoyarían. Creo que es importante resaltar que este método no es un método estático, hoy representa el orden de un 15 ó 20 por ciento pero puede ser muy bien que en otro bienio la situación sea absolutamente inversa, es decir que en realidad exista una disminución similar a la conclusión de las delegaciones de los Estados Miembros de la Organización. Vuelvo a insistir, el mandato que el Consejo dio al Comité de Finanzas fue el de estudiar un método de protección para el Programa de Trabajo y Presupuesto de la Organización, nosotros hemos concluido que éste es un buen método. Quizás las circunstancias económicas no sean las mejores pero presumo que se puedan explorar alternativas a situaciones intermedias. La Organización ha invertido recursos, mucho tiempo en analizar un método que quizás con algunos ajustes, podría aplicarse de forma parcial o incluso como alguna delegación mencionó la posibilidad de ponerlo en práctica no el próximo bienio sino en el subsiguiente. Hago este comentario puesto que quizás soy la persona que mejor entiende los esfuerzos humanos y recursos que se han empleado en estudiar esta modalidad. Respeto el derecho soberano que tienen los estados en apoyar o no una modalidad que les representa un sacrificio monetario, no obstante, creo que sería interesante tratar de profundizar el estudio de alguna aplicación segmentada.

Quisiera hacer mención a un punto en el que existe un cierto consenso respecto a la financiación de capital. El recuento del debate sobre este punto daba un amplio consenso en la necesidad de aplicar este mecanismo; por supuesto se ha mencionado la posibilidad de que este mecanismo sea necesariamente transparente para evitar la doble contabilidad. Es importante rescatarlo, porque sería uno de los acuerdos que logró el Comité de Finanzas y necesita ser ratificado por parte de ustedes.

En cuanto a los atrasos de las contribuciones, se ha mencionado la necesidad de que el Consejo haga un llamado a que los países con atrasos puedan efectivamente ponerse al día. Quizás las delegaciones de los Estados Miembros no comprenden de repente el peso que estos atrasos tienen en términos presupuestarios. El presupuesto de la Organización se define en base a los aportes de todos los Estados Miembros, por lo tanto, no obstante nosotros aprobemos un nivel presupuestario determinado, si esos recursos no llegan a la Organización, esto significa obviamente que la Organización no puede realizar el nivel de compromiso que ha tenido precisamente con ustedes en las distintas partidas presupuestarias. Lo menciono para ponerlo en la misma balanza en cuanto a los requerimientos que hacen los Países Miembros del porque no se usan los recursos en la Cooperación Técnica a un ritmo mucho más rápido. Como ustedes saben los recursos del TCP ha sido tradicional que se empleen para cubrir la falta de recursos debido a los atrasos en la cuotas. Es importante señalar este hecho para que exista una comprensión de cuáles son los impactos directos que los Estados Miembros reciben debido al no cumplimiento de estos compromisos.

Antes de terminar quisiera agradecer a cada uno de ustedes la oportunidad que me han brindado de poder hacer la función de Presidente del Comité de Finanzas. No voy a continuar en esta función independientemente de que mi país pueda decir alguna postulación distinta a ser Miembro del Comité de Finanzas. Por eso quiero aprovechar el uso de la palabra para agradecer al Señor Presidente, al Consejo, a la Secretaría y a los Miembros del Comité de Finanzas y a mi Grupo Regional, la confianza en el ejercicio que me ha dado la posibilidad de cumplir con los compromisos que ustedes me han entregado.

### **LE PRÉSIDENT**

Je voudrais vous féliciter pour votre présidence du Comité financier et pour l'excellent travail qui a été accompli par ce comité sous votre présidence. Je voudrais vous remercier pour votre intervention qui a permis de clarifier certaines situations et nous a éclairés sur votre opinion à propos de la façon dont on devrait gérer cette question des contributions, des arriérés, des contributions fractionnées, etc. Nous vous remercions infiniment pour la contribution que vous avez apportée à notre Organisation en tant que Président du Comité financier.

*Applause*

*Applaudissements*

*Aplausos*

### **Tony WADE (Director, Programme, Budget and Evaluation)**

The idea that we should have an open discussion of this issue is probably a very good one at a separate session, and we will arrange with the Secretary of the Council for that to be set up and for you to be advised of when it would be possible. On that basis, I think I would probably prefer not to go into any detail now unless someone feels they would like a specific answer to a specific question as I think we will get to all of them anyway.

### **Flávio MIRAGAIA PERRI (Brazil)**

Only a reaction to what I have heard here both the Representative of Italy on behalf of the European Union and from the President of the Finance Committee. I tend to agree that we have to of course talk, we are here to talk, we are diplomats for that reason, but I have very precise instructions, and so it is very difficult to change positions in two days. I have heard a suggestion here, which the author calls naïve, and I do not see it as a naïve suggestion, and so what I am calling for now is to make that suggestion a little more concrete.

It would be important to study a system in which voluntary contributions in Euro could be possible. Of course, if we have such a study it is quite possible that we can reduce the need to collect from countries coming from a dollar area to change twice their currency in order to pay for their contributions here. Therefore, what I am suggesting, is that FAO Secretariat take into consideration the naïve suggestion I am making now to make it less naïve and to make it true, because I think there is a way there, a way out of impasse because we are in a real impasse.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Quisiera decir que me parece muy bien lo que ha dicho el Embajador de Brasil en cuanto a que debemos hablar. Me gustaría que si vamos a asistir a algún evento preparado por la Secretaría, que cuando se haga el análisis de impacto, se haga de forma compartida. Es decir cuáles son los esfuerzos que vamos a hacer los países y cuáles los de la Secretaría. El esfuerzo debe ser compartido.

**Anton KOHLER (Switzerland)**

It is very difficult at this point of time to find an answer, to find a compromise, regarding the split assessment. I am encouraged by the Ambassador of Brazil to raise the following issue, and I do this because I feel that we are at the crucial moment at FAO where we cannot give up an effort to which we are committed since 1996.

A compromise could take the following formula, not in a voluntary manner but in a way that we would find a compromise in a Split Assessment. In other words, whether we should not introduce the system as such but on a certain scale which would allow each member country a stepwise approach, because in two years from now the situation may look quite different. Therefore, I would find it good and wise to find an answer by discussing this issue together, so that during this Conference we take a decision which would allow all member countries to enter into the system as such.

**Acisclo VALLADARES MOLINA (Guatemala)**

Quisiera respaldar la propuesta de Italia de una reunión abierta con la Secretaría, que usted ha concretado con los matices presentados por la delegación de Chile. Por lo demás, creo que esta propuesta "naif" de Bolivia y recogida por Brasil, puede ser considerada interesante y esperamos que la Secretaría la tome en cuenta.

**Ibrahim Bocar DAGA (Observateur du Mali)**

Je vous remercie de me donner la parole à ce stade de nos débats. Je souhaiterais simplement que, si une réunion doit avoir lieu pour échanger nos points de vue sur ce problème qui a l'air d'entraîner beaucoup de gens dans un sens et dans un autre, cette réunion se fasse dans un esprit constructif parce que, en toute honnêteté, les explications qui nous ont été données par le Secrétariat, les schémas qui nous ont été montrés ici indiquent que notre Organisation a intérêt à ce qu'on aille vers l'application de ce système.

Je comprends fort bien que chaque pays a son drapeau et ses convictions personnelles ou nationales à défendre, mais c'est peut-être naïvement que je dirais qu'étant ici, tout en étant Maliens, Botswanais ou autres, nous sommes aussi FAO et que nous pensons à l'Organisation et que c'est l'esprit aussi de défense de l'Organisation qui doit nous animer.

Nous n'allons pas rentrer ici dans un débat qui opposerait l'empire américain à l'empire européen parce que, que ce soit l'euro ou que ce soit le dollar, nous, nous payons. Nous ne produisons pas des dollars, nous ne produisons pas des euros. S'il s'agit de payer, quelle que soit la devise, nous, nous aurons à payer. Mais il faudrait penser à l'intérêt de l'Institution et c'est ce qui nous importe. Il est vrai que certains pays pourraient avoir à déboursier un peu plus si on choisissait telle ou telle devise, mais enfin c'est cela aussi appartenir à cette Organisation.

Aujourd'hui, c'est vrai, le dollar est en baisse, peut-être demain, le dollar remontera. Mais, en tout état de cause, nous sommes toujours là pour être frappés d'un côté et de l'autre mais, de grâce, qu'on pense à ces 800 millions de personnes qui ont faim, ce n'est pas une question de dollars ni d'euros. Il s'agit de produire suffisamment à manger pour eux et la politique de la FAO consistant à produire davantage, c'est cette politique qui devrait être défendue. J'aimerais qu'on aille se coucher en pensant à ces personnes et que l'on ne reste pas dans un débat académique ou alors d'arrière-garde. Le problème a été posé, son applicabilité avait été décidée. A force de remettre à plus tard, ce sont des boulets qu'on doit traîner.

De grâce, j'aimerais effectivement que l'échange continue. Un diplomate peut être concret, il doit être positif et avancer. C'est ce qui ferait la différence entre un vrai diplomate et un rêveur. Je souhaite que nous puissions vraiment être positifs dans ce débat et que l'on voit plutôt aujourd'hui l'intérêt de l'Organisation que nous sommes amenés à diriger auprès du Secrétariat. Je vous remercie, M. le Président et je vous présente mes excuses si je n'ai pas été compris par les uns et les autres. Je suis prêt à donner plus d'explications.

*Applause*

*Applaudissements*

*Aplausos*

#### **LE PRÉSIDENT**

Monsieur l'Ambassadeur du Mali, je vois que vous avez été bien compris!

#### **Darío Alberto BONILLA GIRALDO (Observador de Colombia)**

La Representación de Colombia quiere respaldar la posición del GRULAC en el sentido que los países de América Latina y el Caribe no estamos hoy en una situación que nos permita hacer mayores contribuciones, porque venimos de un aumento en nuestras cuotas. Si observamos la nueva escala de cuotas que tuvimos que adoptar en la Conferencia pasada, ello implicó que los países en desarrollo, los países más pobres, tuviéramos que aumentar nuestras cuotas para rebajar las cuotas de los mayores contribuyentes. En el caso de Colombia significó doblar la cuota y en muchos otros países latinoamericanos implicó, también casi doblar la cuota. Entonces, no estamos pasando por un período fácil; la situación fiscal de nuestros países es muy difícil. Creo que una buena propuesta es la mencionada por el Representante de Bolivia: que los países de la zona Euro paguen en Euro, es su moneda y para ellos no hay ninguna implicación de tipo fiscal, no tienen que salir a comprar dólares ni ninguna otra moneda. En el documento que nos presentó la Secretaría, dice que eso solamente representaría un 38 por ciento del presupuesto de la Organización. Pues bien, un 38 por ciento ya es mucho, podríamos entonces realizar un estudio de como se podría subsanar ese 12 por ciento (con respecto a la propuesta de 50 y 50) y si es posible que los países en desarrollo hagamos ahí un pequeño o un gran sacrificio. Sería la propuesta más lógica y que la Secretaría nos presentara ese impacto durante la reunión que se piensa hacer, pues no veo de que otra manera nosotros podamos transigir y aceptar el pago de 50 y 50.

#### **LE PRÉSIDENT**

Y-a-t-il d'autres interventions? Non, Très bien. Je crois que nous sommes arrivés à un consensus pour qu'il y ait une session ouverte organisée par le Secrétariat avec les différents pays. Il y a quelques pistes qui ont été ouvertes et je demanderai au Secrétariat d'explorer ces pistes qui sont des pistes intéressantes. Je demanderai à tout le monde de garder à l'esprit l'intervention de M. l'Ambassadeur du Mali qui a d'ailleurs eu des applaudissements de consensus sur le bien de l'Organisation. Je demanderai au Secrétariat de nous informer quand et où sera organisée cette session ouverte et d'explorer toutes les pistes qui ont été ouvertes aujourd'hui parce que encore une fois elles peuvent être intéressantes. Je ne déclare pas conclu ce point 8 de l'ordre du jour puisque nous allons continuer à travailler là-dessus. Je voudrais dire simplement que toutes les pistes apportées par la Bolivie, la Colombie, la Suisse et également le Brésil sont toutes intéressantes.

#### **Mohammad Saeid NOORI NAEINI (Iran, Islamic Republic of)**

My question is what do you mean by an open meeting by Secretariat. Is it as a part of the Council? Are we formally discussing this or are we going to another session and then coming back to the Council for decision. It should be clear because the countries who want to participate, should understand what an open session of the Secretariat means. One way or another we have come back to a formal official session of Council to reach an agreement.

We asked the Finance Committee to reach a solution, and they did an excellent job, and came up with a proposal. Now if you say no to that, we have to propose an alternative. Therefore, we would seek your guidance on how to proceed.

## LE PRÉSIDENT

Je crois que ce serait une session ouverte parallèle et on reviendrait après la session ouverte à un nouveau débat au Conseil. Je ne sais pas si vous êtes d'accord sur cela mais ce serait une solution à moins que quelqu'un d'autre ait une autre proposition. Une session ouverte informelle parallèle au Conseil et ensuite on reviendrait débattre de ce point 8 de l'ordre du jour au Conseil. Nous sommes d'accord. Je vous remercie. On ouvrira à nouveau le point 8 et le Secrétariat nous indiquera la date. Demain matin vous seront communiqués le lieu, la date et l'heure de cette réunion informelle entre le Secrétariat et les Membres du Conseil qui souhaitent y participer. Mais j'en gage et je demande à tous les Membres du conseil d'y participer avec la meilleure bonne volonté et l'esprit d'ouverture. Nous allons passer au point suivant de l'ordre du jour. Il s'agit du Point 5 de l'ordre du jour intitulé: "Programme de travail et budget 2004-2005 – C 2003/3", y compris examen de l'incidence du scénario de croissance nominale zéro sur le Programme de travail et de budget 2004-2005, document CL 125/10. Les documents pertinents portent les références CL 125/10, CL 125/12, CL 125/INF/19 et C 2003/3. Je vous prie de noter que des corrections ont été apportées à la version arabe et à la version espagnole du document CL 125/12. Vous les trouverez dans le document CL 125/12-Corr.1, de même des corrections ont été apportées à la version espagnole du document C 2003/3. Elles se trouvent dans le document C 2003/3-Corr.1. J'invite M. Wade, Directeur du Bureau de Programme, budget et évaluation à introduire ce point.

**5. Programme of Work and Budget (PWB) 2004-2005 (C 2003/3), including consideration of Outline of a Zero Nominal Growth Scenario on the PWB 2004-05 (CL 125/10)**

**5. Programme de travail et budget 2004-2005 (C 2003/3), y compris examen de l'incidence du scénario de croissance nominale zéro sur le PTB 2004-2005 (CL 125/10)**

**5. Programa de Labores y Presupuesto (PLP) para 2004-2005 (C 2003/3), incluido el examen de las Consecuencias de la hip. tesis de crecimiento nominal cero en el PLP para 2004-05 (CL 125/10)**

### **Tony WADE (Director, Programme, Budget and Evaluation)**

I do not know whether the Chairpersons of the Committees would like to introduce their Committees' Reports first. Would you like the Chairs of the Committees to introduce their Reports first or would like me to go first?

### **Blair HANKEY (Chairman, Programme Committee)**

The Programme Committee endorsed the improved format of the Programme of Work and Budget document, including the comprehensive lists of planned biennial outputs. It recognized that the document gave firm evidence of the progress made by FAQ in the application of strategic planning and results based budgetary principles.

The Committee concurred with the statement by the Joint Inspection Unit of the United Nations that FAQ compared favourably with other organizations of the UN System in this regard.

The Committee noted that in addition to the Real Growth, and Zero Real Growth scenarios the outline of a possible Zero Nominal Growth, that is ZNG scenario would be submitted through the next Council. Some members regretted that time constraints had prevented making this additional ZNG information available at the session of the Committee, so that it could in accordance with its mandate, advise the Council on the possible impact on the major programmes.

The Committee noted that the major change in resource allocations, since the stage of the summary PWB which was considered by the Programme Committee in its Spring meeting, was a shift from two programmes under Major Programme 2.5 Contributions to Sustainable Development and Special Programme Trusts to the other major programmes under chapter two of the PWB, in particular, to strengthen work related to the IPPC, CODEX and Food Safety, as well as Fisheries and Forestry.

To sum up as briefly as I can the discussions of the Committee, it broadly endorsed the substance of the revised proposals presented in the forum PWB, appreciating the responsiveness of the

Secretariat in seeking to address comments made at the stage of the summary PWB in the Programme Committee itself and at the June Council.

Many members however, and these were basically the developing country members of the Committee, were not in a position to support the reduced activities under Major Programme 2.5, including those in support of capacity building in developing countries, as these programmes were of major interest to all developing countries. They considered that the strengthening of other priorities which was facilitated by this reduction should not have been done at the expense of programmes providing direct benefits to developing countries. Therefore, they called for a reallocation of resources which would have less negative impact on Major Programme 2.5. Other members, and these were the members from industrialized countries, while also regretting the negative impact on important activities under major programme 2.5, felt that the proposed shift of resources was a satisfactory compromise to meet the expectations of the membership.

#### **H.O. MOLINA REYES (Presidente del Comité de Finanzas)**

El Comité de Finanzas en su 104º período de sesiones examinó la propuesta del Director General relativa al Programa de +Labores y Presupuesto para 2004-2005. El Comité centró su atención en la sección sobre Recursos y la propuesta relativa al Capítulo 5: "Servicios de Apoyo" y al Capítulo 6: "Servicios Comunes". Las deliberaciones del Comité están expuestas detalladamente en el documento CL 125/4, párrafos 53 al 61.

Se informó al Comité que a mediados de octubre se proporcionaría a los Miembros una hipótesis presupuestaria de crecimiento nominal cero. El Comité tomó nota que la cuantía del supuesto crecimiento nominal cero sería de 651,8 millones de dólares de Estados Unidos, lo que determinaría la absorción tanto de los incrementos de costos como los efectos del tipo de cambio y que la información relativa a las repercusiones del crecimiento nominal cero se presentarían a nivel de programas.

El Comité refrendó el cálculo de un incremento de costos que se refiere a 34 millones de dólares de Estados Unidos, así como las hipótesis en que éste se basaba. Recordó, asimismo, el debate que había sostenido para recomendar la adición de la cantidad de 14,1 millones de dólares para financiar la amortización del pasivo en concepto de servicios médicos después de ese servicio.

El Comité tomó nota de la transferencia de recursos entre programas principales que se había introducido en el PLP, en respuesta a las peticiones que se reforzaran sectores tales como el CIPF, el Codex, Pesca y Montes, así como los efectos negativos consecuentes de las actividades de Extensión y Capacitación.

El Comité atribuyó particular importancia a la aplicación del Plan de Acción sobre Recursos Humanos. La mayoría de los miembros del Comité de Finanzas pidió que se proporcionara una cantidad adecuada de fondos para la ejecución del Plan de Acción y que se protegiera dicha cantidad independientemente de la hipótesis presupuestaria que se aprobara; esto en el convencimiento que lo más valioso en la Organización son precisamente los recursos humanos. Los miembros del Comité expresaron distintas opiniones sobre la cuantía del presupuesto, ya que varios de ellos apoyaron la cuantía presupuestaria de crecimiento real o de crecimiento real cero, mientras que otros apoyaron la cuantía de crecimiento nominal cero o inferior al crecimiento nominal cero.

Quedo a vuestra disposición para proporcionarles cualquier ulterior explicación que puedan desear respecto a nuestro debate en cuestión.

#### **Tony WADE (Director, Programme, Budget and Evaluation)**

In my introduction I will try to pull together those issues on which the Director-General would very much seek the advice of the Council or guidance of the Council because these are issues which remain open. There are policy issues, of course, on which the Council would normally advise the Conference. The first, of course, are the priorities to be addressed by these proposals. The second, is the budget level and third, briefly the specific issue of funding the amortization of After-Service Medical Care.

The Council has already been extensively involved in the process leading to this document in its consideration and endorsement of the substantive content of the Medium-Term Plan as a basis for preparing these proposals. Then, of course, in your review of the Summary Programme of Work and Budget at your last session, you gave us advice on priorities on both occasions. The Director-General's proposals before you today try to take account of all of the guidance received on priorities. There are four areas to which I would like to draw your attention, three of them arising out of the Reports of the Committees as you have heard, and the fourth a matter of concern which the Director-General would like to bring to your attention.

The first was mentioned by the Chairman of the Programme Committee, which concerns the reductions to Programme 2.5.1, Research Natural Resource Management and Technology Transfer and 256, Rural Development.

Many members of the Programme Committee, as he mentioned, expressed the view that strengthening of other priorities such as IPPC and CODEX, should not have been done at the expense of programmes which were providing direct benefits to developing countries. The Secretariat has examined the cuts that were made and reports that they generally do reflect a reasonable balance between operational and normative activities. However, it was presumably the operational activities such as capacity-building, etc. that were of most concern to those Members, and should the Council agree, and this is the area in which we seek your advice, but should the Council agree, the Director-General will make efforts to minimize the damage to such operational activities during the implementation process in the coming biennium. For your information the outputs involved are estimated to have an approximate cost of US\$1 million.

The Chairman of the Finance Committee mentioned the Human Resource Action Plan. A majority of members of the Finance Committee felt that an appropriate level resources should be provided for the implementation of the Human Resources Action Plan.

The approach we would suggest is to ear-mark some proportion of the amount which all Divisions are required in a budgeting process to set aside for staff development. They do this as part of budget planning in each biennium. The guideline currently requires that 1.35 percent of staff costs are set aside for this purpose. So for example, the amounts total to US\$ 5.6 million under ZRG. What we are proposing is an ear-marking, which could range upward from zero to around about to half a million, as included in real growth or to 1.6 million as included in the Medium-Term Plan, could be made from that source. Of course, any such allocation would depend to some degree on the overall level of budget which Conference finally approves. It is a question of principle, should we be trying to reallocate resources to this plan.

The third area, concerns additional funding for evaluation. The two Committees emphasized, at their joint meeting, the importance they attach to an adequate and stable budget for the conduct of major evaluations. The costs of such evaluation varies from biennium to biennium as does the funding source. For example, in this biennium much of the cost of the CODEX evaluation was jointly funded by the relevant FAO and WHO programmes. However that is not always possible and it is particularly difficult for evaluations of interdisciplinary corporate strategies. For example, in 2004-2005 we have major evaluations such as Decentralization, Partnership and Alliances, Communicating FAO's Messages. All of these do not have a single natural owner to whom you can send the bill. All in all the evaluation service estimated a requirement of about US\$1 million. If we cannot meet this because of the potentially severe resource constraints, then the coverage and the scope of evaluations will have to be reviewed and reduced or alternatively one or more of the evaluations could be postponed to the following biennium. Again your advice on this issue would be appreciated.

The fourth area concerns security. During 2002-2003 and in the budget before you, we have had to make a significant reallocation of resources to strengthen security in the field, including over US\$ 1 million in 2003 to meet the costs of complying with the minimum operational security standards in field offices. In 2004-2005 FAO's share of the budget of the UN Security Coordinator's Office, which is actually covering field security offices, has been increased by US\$4 million. The office responsible for this has had to redirect scarce resources to maintain



equipment at the minimum standards required and to create two additional posts to manage the constantly evolving state of field security. However, the Director-General's concern is that in our understandable rush to protect the staff in the field, we have done very little to strengthen HQs security, even though there is increasing evidence of a risk; that is, the risk is not limited to the field. And following an internal review, the Director-General has concluded that security staffing needs to be strengthened at an approximate cost of US\$ 500 000 per biennium, and a certain capital works need to be undertaken at a total cost of just under US\$ 400 000 to spread between this biennium and next biennium.

It is proposed that these additional costs be addressed during the implementation process, except that I would add - and this applies to all of the above points - where there is a positive reaction from you on these four areas, the outcome of the actions taken in both programme and budgetary terms will be shared with the Committees, particularly the Finance Committee through the vehicle of the annual budgetary performance report, but of course the extent of support will depend on the total level of resources that are available to the Organization.

Turning to the resource question, we remain in some considerable difficulty. When the Council considered this issue in the context of the Medium-Term Plan, divergent views were expressed ranging from full support in the light of requirements, to the rejection of the proposals as being unrealistic in the context of the level of the recent FAO budget outcomes and of the financial difficulties and budgetary constraints currently experienced by many members.

The Director-General responded in the Summary Programme of Work and Budget by reducing the real growth proposal from 8.4 percent, as proposed in the first biennium of the Medium Term Plan to 5.5 percent, and including a zero real growth scenario in the document. You will recall that the Council again considered the level of the budget when it examined the Summary Programme of Work and Budget but remained completely divided on the issue. In addition, members acknowledged the need for a Zero Nominal Growth scenario which has since been provided in CL 125/10.

I should mention something about that scenario. While it had originally been considered, both at the last Council and earlier on in the subsequent Finance Committee, that ZNG was to be defined in US dollar terms, the last minute consensus - as we thought we had - on the question of split assessment in the Finance Committee, lead many delegates to indicate their preference - all be it informally - that ZNG should now be redefined in terms of the two currencies, and that eliminates the exchange difference of US\$ 100.6 million. The Secretariat prepared a ZNG document on that basis; that is, requiring the absorption of cost increases of US\$33 million.

Now the Council will have to address the budget level again. I do not mean this unpleasantly but historically the Council does not have a good track for record on reaching consensus at this particular point. In fact, to the best of my knowledge, it never has. The choices are clear: an appropriation level which could be one of the following or somewhere between any of them, we have ZNG in dollar terms which is US\$ 651.8 million, that is exactly the same nominal amount in dollars as we have in the current biennium. We have it expressed if you like in dollar and euro terms, that is eliminating the exchange difference which would add US\$ 100.6 million and take it to US\$ 752.4 million. We have ZRG which is maintaining purchasing power, at the exactly same level. Therefore, the same programme which is ZNG US\$ 651.8, plus US\$ 100.6 million for currency, assuming an exchange rate of €1=US\$ 1.15, and a further US\$ 33 million for cost increases, so a total increase of US\$ 133.6 million, which will take us to US\$ 785.4 million. Then, for those of you who like me are optimists, we have the Real Growth scenario which is a further US\$ 36 million on top of that particular amount. We seem to be considering a very wide range which is somewhere between US\$ 651 and US\$ 829 million and, that is, US\$177 million apart, or 27 percent on the current base. As far as I am aware, we have never seen such a wide disparity between the preferences of members at this late point in the process. The budget has to be voted by the Conference a week on Friday and hence it might be a help for the Council to narrow down the gap so that the Conference can deal with a smaller range.

My last point concerns After Service Medical costs. This was addressed, to a certain degree under the last item in the Finance Committee and there seem to be consensus that we have to do something about it. The question I raise concerns how the figures would be quoted in the appropriation. If you look at the appropriation resolution at the beginning of C 2003/3, you will find, that what we have done is to include it, not under clause A which is the appropriation, but under clause B, which is where we adjust miscellaneous income. This has nothing to do with the current biennium's proposals, nothing to do with cost increases for the current biennium but rather is a liability relating to passed periods. Therefore, at the request of the Finance Committee we have taken it out of the normal appropriation and put it into clause B. Any advice you have on that would be appreciated.

I apologise for the long introduction, but I thought all these were issues on which the Council's advice was needed and which should therefore be brought to your attention.

**Mitsunori NAMBA (Japan)**

Thank you very much for the kind explanation by the Secretariat. However, regarding this very important issue, we have just a question and a request. Before going into the detailed discussion I would like to make a general comment on this issue. At the last Council Session in June, the Japanese delegation expressed its serious concern of the Programme of Work and Budget proposed by the Secretariat which asked a significant increase compared with the current budget. My delegation requested that FAO Secretariat prepare Zero Nominal Growth scenario in US dollar terms. This request was supported by Members and was set out in the Summary Report of the meeting. It clearly stated the Council acknowledged the need for the Secretariat to prepare an additional Zero Nominal Growth scenario in order for Members to fully understand the implication of possible budget decisions. However the Zero Nominal Growth scenario prepared by the Secretariat for the preparation at this Council Session is different from what we requested at the last session. It is not the effect of euro exchange rate fluctuation the amount of Zero Nominal Growth scenario in times of the appropriation describing the Secretariat paper CL 125/10 is more than 15 percent increase in US dollar terms compared with the current biennium. This indicates the assessed contribution of Members will be increased by more than 15 percent in US dollar terms. I stress this point, it is obvious that the budget level should be considered not only in relation to the programme needs but also with due respect to Members' financial situation.

Members are facing serious difficulties in paying their contributions even at current budget level. We have already examined this in other agenda item this afternoon. We have to take into account the fact that the 74 Members have outstanding arrears to FAO totalling US\$ 72.5million, which corresponds to more than 10 percent of the current two-year budget level and it is not appropriate to increase the amount of assessed contribution of Members. The Japanese delegation appreciates the work done by the Secretariat in preparing Zero Nominal Growth scenarios, however, that scenario presented to us is insufficient and does not compile with the request made by the Members at the last Council Session.

What we need for the deliberation of possible budget decisions is a Real Zero Nominal Growth scenario. The Japanese delegation, therefore, would like to ask the Secretariat to prepare a Real Zero Nominal Growth scenario which absorbs the effect of the fluctuation in exchange rate. My government has already conveyed the above stated to the Secretariat by sending a letter addressed to Director-General of FAO, Dr Diouf, so in this respect my delegation would like to have a clear and understandable response from the Secretariat.

**Memed GUNAWAN (Indonesia)**

My delegation would like to express our high appreciation to the Secretariat, the Programme Committee and the Financial Committee for the excellent work in preparing these very important documents. We believe that it is not an easy task for the Secretariat to complete such a document under the Programme of Work and Budget 2004-2005 with the inclusion of the possible impact after Zero Nominal Growth for our consideration. We understand that the Secretariat has to work

hard on this issue to accommodate all implicit requests of the Member countries conveyed during the last Council session and at the same time setting the priority while maintaining policy to be consistent with Zero Real Growth.

As my delegation stated at the Hundred and Twenty-fourth session of the FAO Council as well as at the 17<sup>th</sup> COAG Session, the FAO Programme of Work on Technical Cooperation Programme, SPFS, PPC and CODEX Alimentarius are very important programmes for developing countries because they have very high impacts at the country level. This issue has been responded to clearly on this CL 125/10 document, particularly in the Areas of Preferential Treatment described in paragraphs 26, 27 and 28, which emphasise the possibility to maintain the absolute amount of funds to this Major Programme under the Zero Real Growth scenario.

Indonesia would like to express its support regarding paragraph 34 Other Protected Areas of Major Programmes that have several areas of activities such as SARD, IPM FIVIMS, EMPRES, etc. It shall be treated appropriately without any reductions of fund because of their significant impacts on the aquaculture and rural development as has been expressed by many developing countries.

My delegation has difficulty in accepting the Zero Growth scenario by means of reducing uniformly the substantive and non-substantive areas of the Programme Work and Budget 2004-2005. In this regard Indonesia would like to propose that the use of Zero Growth scenario is by implementing the scenario of budgeting in accordance with the stated priorities by the Member Nations. We agreed with some adjustment in the Programme of Work and Budget 2004-2005 by looking at the impact assessment concerning technical and economic programmes under Programmes 2.1.2 para 45 dealing with IPPC, Plant Genetic Resources, and the Safe Use of Pesticides.

Regarding para 51 and para 52, my delegation is concerned that impact assessment due to the reduction of funding allocation to fisheries and forestry sectors by 3.4 percent of the total funding allocated in the Programme of Work and Budget 2004-2005. These two sectors shall be considered as high priority areas in the Programme of Work and Budget 2004-2005. Thus, their funds will not be reduced because the current budget in the overall programme budget is very small compared to the agricultural sector budget. Indonesia is also in support for a significant change in funding of cooperation and partnership programme under the Programme of Work and Budget 2004-2005 for Major Programs 3.1 Policy Assistance para 55 Major Programme 3.2 Support to Investment para 56, and Major Programme 3.3 Field Operations para 5.

With regard to Major Programme 3.4 para 58 regarding the proposed reduction of quite substantial budget to FAO Representatives, my delegation would like to request the Council not to consider this option. We want to sanction the role of FAO Representatives as the effective tools of FAO at the country level in order to ensure the smooth delivery of FAO programme up to the farmer level. The FAO Representatives in developing countries should also develop efficient communication between them.

We support the continuation of the Telefood Programme because it is very useful for small farmers, as we all understand the Telefood Programme is very small compared to other programme, such as TCP, but it has proved as one of the programme that has direct benefit to farmers or small or household business. We will continue to consider the Programme of Work and Budget at the forthcoming FAO Conference to be held next week.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Como decía el Embajador de Brasil haciendo referencia a una materia muy similar a esta, enfrentamos una situación muy complicada. Mi país ha estado y siempre estará junto a la FAO; de hecho, hemos hecho muchas contribuciones, una de ellas es tener la Oficina Regional para América Latina y el Caribe. La situación de muchos países y la mundial no está fácil. Sabemos que hay países que están con atrasos en los pagos y otros que están con dificultades. Afortunadamente no es el caso de nuestro país en este momento, pero sí estamos bajo una situación global complicada.

Tomamos muy en serio nuestros compromisos en Naciones Unidas así como nuestras contribuciones al respecto y deseamos seguir haciéndolo, pero no estamos en condiciones de apoyar una iniciativa que incremente el presupuesto; por el contrario, estamos en condiciones de ayudar a la Secretaría, a trabajar con ella, a buscar áreas donde podamos hacer recortes y disminuciones que no afecten a los programas. Sabemos que lo que estamos diciendo no es fácil y que implicará recortes pero mi país, en otras circunstancias, ha estado afecto a situaciones que le han obligado a hacer recortes y a apretarnos el cinturón, por lo cual queremos que la Secretaría sepa que, a pesar de que estamos muy comprometidos con la Organización, apoyamos la tesis de Crecimiento Nominal Cero.

**Oswaldo DEL ÁGUILA RAMÍREZ (Perú)**

Uno de los temas de especial relevancia para la Organización, y que es materia de debate en este Consejo, son las propuestas para el Programa de Labores y Presupuesto para el período 2004-2005. Perú es consciente que con el paso de los años los países han dado mayores responsabilidades a la FAO para combatir el hambre y la desnutrición, mandato que fuera recogido por la Cumbre Mundial de la Alimentación. Igualmente estamos convencidos que la Organización viene cumpliendo un rol preponderante para fomentar la agricultura y la alimentación en nuestros países, y que además se le ha encomendado nuevas tareas como las labores del *Codex Alimentarius* y la Comisión Interina de Medidas Fitosanitarias que tienen estrecha relación con factores de comercio internacional.

A lo señalado vemos que las demandas de los países en desarrollo se incrementan cada vez más, se requiere apoyo de la FAO para enfrentar desastres naturales y situaciones de emergencia, para crear capacidades técnicas en nuestros países entre otros.

El escenario descrito pone en evidencia que la Organización requiere mayores recursos financieros; sin duda sería la situación más fácil que podríamos adoptar todos los países que integramos la Organización. Sin embargo, mal haríamos en comprometernos con un aumento presupuestal que indefectiblemente supone un incremento de cuotas que no vamos a poder cumplir.

Perú hace grandes esfuerzos para cumplir con sus obligaciones con la FAO y un incremento de crecimiento real dificultaría aún más su cumplimiento. Creemos así que la Organización debe beneficiarse del apoyo de otros países que evidentemente tienen dicha capacidad. Estimamos, por otro lado, que la FAO también debería realizar los máximos esfuerzos para buscar la eficiencia de la Organización de tal suerte que los pocos recursos con los que cuenta puedan maximizar los beneficios para los Países Miembros. La eficiencia que solicitamos a la Organización debe estar acompañada del esfuerzo que podamos hacer los países contribuyentes para ponernos al día con nuestras cuotas.

Finalmente, deseamos expresar que independientemente del nivel de presupuesto que el Consejo recomiende a la 32ª Conferencia coincidimos con el hecho de que áreas como los programas de cooperación técnica, pesca, montes, *Codex Alimentarius* y la Comisión Interina de Medidas Fitosanitarias deben contar con el financiamiento necesario para que sus labores tengan un impacto positivo en la seguridad alimentaria mundial, especialmente en los países en desarrollo y se puedan crear las capacidades locales que coadyuven a este objetivo.

**Mougui MÉDI (Cameroun)**

Nous apprécions les efforts que les Présidents du Comité du Programme et Comité financier ont fait pour nous présenter la situation telle qu'elle est et l'effort fait par le Secrétariat pour apporter un élément supplémentaire sur l'examen qui est soumis maintenant à l'ordre du jour.

Personnellement, et en tant que délégué du Cameroun, j'ai été témoin du travail qui a été fait depuis le début de la préparation de ce Programme de travail et budget et je pense que le Secrétariat a fait un énorme travail et ce, de façon permanente et continue pour répondre aux exigences toujours croissantes et pressantes des États Membres. Je dois reconnaître que beaucoup de ces demandes mettaient encore et chaque fois la pression sur le Secrétariat qui devait revenir

avec de nouveaux papiers à soumettre. Aujourd'hui encore les demandes se font de plus en plus pressantes, et nous savons que déjà à sa 104<sup>ème</sup> session on avait dit qu'il fallait éviter de donner un surcroît de travail au Secrétariat. Ceci était un élément essentiel d'une de nos résolutions. Aujourd'hui, encore une fois, ce surcroît de travail revient sur la table et l'on remet le papier du Secrétariat pour lui demander de représenter un nouveau document. Je pense que deux ans de travail n'est pas chose minime et il faut reconnaître qu'entre-temps beaucoup a été fait.

Nous notons que toutes les demandes de travail supplémentaire faites à ce jour en direction du Secrétariat ne sont pas soutenues par des orientations précises et la difficulté est là. Si on peut, au sein de ce Conseil, donner de fortes orientations au Secrétariat et des indications précises comme par exemple lui demander de nous faire un scénario à Croissance Réelle Nominale Zéro en faisant ceci et cela, en fait des choses bien spécifiques, je pense que de cette manière on pourra facilement avancer, mais si on s'est encore lancé aujourd'hui on aura encore notre papier comme celui que le Secrétariat nous a présenté sous la cote CL 125/10, qui certainement ne peut être accepté par certains membres qui ont engagé cette action.

A cet effet, je pense que nous n'avançons pas beaucoup, mais notre souhait est d'avancer. Je voudrais réitérer la position qui était celle du Cameroun à la 124<sup>ème</sup> session, c'est-à-dire maintenir notre attachement aux documents des programmes qui auraient un intérêt pour nos pays, surtout les pays africains. Nous avons dit pendant le Comité de programme que ce serait mal vu de couper des activités de programmes de cinq pour d'autres activités. Pourquoi ce programme seul devrait-il souffrir? Et ce, en faisant seulement un bon équilibre en coupant un peu ailleurs. Nous avons pensé que cela n'est pas bien équilibré et nous continuerons à maintenir que ces programmes touchent directement nos communautés et s'orientent vers le développement des organisations paysannes. Ce sont donc des programmes qui ne devraient pas souffrir et nous continuons à le maintenir ici.

Nous soutenons un niveau de budget qui soit compatible avec les activités que nous demandons à la FAO de développer. Voilà la position qui était celle du Cameroun à la 124<sup>ème</sup> session et c'est également la même qui revient à la 125<sup>ème</sup> session.

**Paul MURPHY (Canada)**

First of all I want to thank the Secretariat for what, I am sure, were very significant efforts that were required to prepare a Zero Nominal Growth scenario. At this point in the discussion, I simply wish to reiterate the position that Canada made clear during the meeting of the Programme Committee and that we have reiterated on many other occasions, specifically, we support the proposal to reallocate funding from Programme 2.5 to protect the funding levels of CODEX, IPPC, Fisheries, Forestry and Plant Genetic Resources.

**Gabriel G. LOMBIN (Nigeria)**

The issue before this Council is that I fear we are to be heading for a Zero Nominal decision. From the point of view of the Nigerian delegation, the document has elucidated quite a number of issues and we were very happy and would like to congratulate the Secretariat along with the other delegates.

Our delegation, in particular, notes the inclusion of a full picture of the extra-budgetary component. The inclusion of clear substantive thrusts and priorities for each Major Programme. The changes in resources are located therein and clear outputs leave way for very easy programme evaluation; the inclusion of list analysis; the lucid itemization of the implemented and ongoing operational efficiency saving measures; increased activities in the areas of capacity-building for national food control systems; and the effort to link normative activities with the technical field work. We are, therefore, basically happy with the document. The area that worries us is the one that I think has been raised already by a number of colleagues on the floor regarding the shifting of resources from Programme 2.5 to some other areas. There is no doubt that the areas that have been named (CODEX, Forestry, Fisheries, IPPC) are areas that this Council itself enumerated and requested the Secretariat to revisit. So we are fully in support. However, as my other colleagues have pointed out, it is where the resources were shifted that is a matter of concern. We have taken

note of the comment by Mr Wade that the Director-General seems to have assured us that somehow, during the implementation, they will find ways of mitigating the impact. I hope that is correct, and maybe we need to be further assured.

On the issue of the budget level, I feel rather depressed on this subject listening to what has gone on this morning with respect particularly to the Split Assessments, with respect to the quantum of work that FAO has been asked to do, and to hear again that we are now oscillating whether we should even increase anything at all for the operations of this Organization. Our delegation is a little worried. Where are we heading for?

I have read the document fairly carefully outlining the issue of the Zero Nominal Growth. I have not seen anything that is encouraging there, frankly speaking. I thought, and my delegation seems to concur, that the initial idea behind the Zero Growth of the budget was intended to get FAO to improve the efficiency of its service delivery. If that was the message, one begins to wonder if, at this stage, we are not, in trying to squeeze the so-called inefficiency in the system, reaching a point where we will end up squeezing life out of the Organization itself. Being here two and a half years, I have read a number of documents to show that this Organization has down-sized considerably. It has restructured considerably. It has reorganized itself considerably. It has even decentralized, all in an effort to enhance efficiency and create some savings.

Thank God those efforts have paid because I think that, if my memory is not failing me, what I seem to have read in a document is that this efficiency in governing measures has helped FAO save some US\$ 55-60 million. With all the measures that have been taken and with clear outputs by way of the efficiency-savings that have been quantified in dollars, the Secretariat is saying that they have reached a point now where if they are to maintain the capacity and volume of the work we are asking them to do, they cannot go any further. We are still saying no, we must go further and do not add any dollars. We would not add if the exchange rate problem was not there. Even with that, we are still fighting how to resolve it. If we were to resolve it maybe that would go some way to mitigating the problem. Right now we are here to do that.

With that, we are still saying let us go back and work on the Zero Nominal, in other words, we should work with figures that are lower than this Organization was given ten years ago; US\$ 673 million ten years ago, US\$ 651 million today. We are still saying go down further. I do appreciate the concerns raised by the big donors. Nobody, no matter how rich you are, wants to throw his money into a waste basket. One does appreciate, therefore, that if you are investing, you want to be sure that your investment is going for the right purpose. Having said that, we want to plead, that I think that the time has come for us to either accept that we want this Organization to keep the quantum of programme that is there going, or else maybe we should come down a little bit harder and tell them ruthlessly where they should cut out. My understanding is that by the time we are through with the US\$ 651 Zero Nominal budget, we will in fact be operating something much lower. Maybe we should come down and be realistic and admit that there are certain areas that the Secretariat itself is not willing to cut which we as Council members are convinced that if they are cut it will do no harm to the Programme. In which case, we may then advise them very discretely and openly where to go. Our submission is that we should support the Real Growth budget. We are talking about US\$ 36 million for an Organization that is talking about US\$ 600 million. I do agree that maybe those of us who are the greater beneficiaries of FAO programmes are the greater defaulters in payment, but it is not the lack of will. I want to assure this audience. It is the where withal that is our problem. With these few remarks, my delegation has directed me to support the document as presented and endorse the proposal for a Real Growth budget.

**Ambroise N. OUEDRAOGO (Burkina Faso)**

Merci M. le Président et merci aussi pour le travail qui nous a été soumis. Je voudrais être très bref et je voudrais en tout cas dans ma lancée soutenir les délégations du Cameroun et du Nigeria qui m'ont précédé. Nous pensons qu'actuellement, au niveau mondial pratiquement, nous parlons du développement durable et les outils de ce développement durable passent nécessairement par une augmentation des capacités de nos populations rurales, agricoles, etc. et passent aussi par

l'exécution d'un certain nombre de programmes axés effectivement vers la promotion de l'économie dans ces milieux.

Nous pensons que la diminution des postes due à ce développement rural durable vers d'autres postes dont nous ne sous-estimons pas l'intérêt va quand même porter un peu préjudice à nos options stratégiques. Pour cela, nous pensons qu'au-delà d'une augmentation budgétaire, si nous voulons que la FAO atteigne effectivement un certain nombre de ses objectifs et puisse, comme on l'a montré, réduire les échéances qui actuellement s'enfuient vers notamment les objectifs de réduction de la pauvreté, nous pensons qu'il faudrait effectivement soutenir une croissance réelle pour permettre un impact important sur les populations les plus vulnérables. Et c'est pour cela notamment que nous soutenons cette position.

**Mooneeshwar RAMTOHUL (Mauritius)**

We would like here to endorse the statement made this morning by the Director-General on the need to give FAO the necessary resources and the means to assist all the countries in implementing programmes, in implementing the commitments those countries made at the World Food Summit to reduce hunger and poverty. Developing countries, also, have a lot of hope and they are relying on the assistance of FAO for capacity-building, for effective implementation of various programmes linked to issues of food security. On the other hand, we have the exigencies of the World Trade Organization with a lot of norms on the SPS issues for which developing countries need to build up capacity to meet the requirements for trade. So we are supporting the scenario of the Real Growth to meet commitments for strengthening areas such as IPPC, the CODEX Alimentarius, the Fisheries and Forestry sector. Moreover, this Organization has also undertaken commitments for the implementation of the CAADP within the NEPAD framework.

**Noah M. NKAMBULE (Swaziland)**

In his Opening Statement this morning, the Director-General made a very clear illustration of the contradiction in which the Organization finds itself. Firstly, to illustrate this issue, the World Food Summit set itself a target of reducing by half the number of the World's hungry by 2015. Secondly, the membership and demands made on this Organization have dramatically increased. However, over the last few years, the budget has virtually remained the same, if not effectively reduced. The casualty for this unsatisfactory situation will be the poor and the hungry. It is within this context, that my delegation would support a Real Growth Scenario budget. Whilst my delegation supports a healthy balance between normative and operational programmes, however, my delegation cannot support the shift of resources from Chapter 2.5 because it is such activities that are at the heart of the fight against hunger and poverty. Furthermore, my delegation wishes to submit that programmes such as TCP, food security, water resource development for irrigation, policy assistance and capacity-building are major priorities for agriculture in my country.

**Blair HANKEY (Chairman, Programme Committee)**

I do not want to enter into the substance of this debate but just one procedural point I would like to raise (an interpretation of the text). The delegate of Japan cited paragraph 68 of the Report of Council, and stated that that paragraph required the Secretariat to produce a Zero Nominal Growth budget scenario measured in US dollars. I have the paragraph in front of me, I read it and see no reference to US dollars in the sentence that he read or anywhere in the paragraph. It is not at all clear either from the words of the paragraph or from its context, that the Secretariat was asked to produce a Zero Nominal Growth scenario measured in US dollars. I perfectly accept that that is a possible interpretation of what the Secretariat was asked to do, but is certainly not the only interpretation and, arguably, not the most reasonable one.

I do not think that it is really reasonable to suggest that the Secretariat did not comply with the wish of the Membership in that respect. The membership wrote that paragraph and Japan, I recall, was on the Drafting Committee. My delegation was not. So I think those Members of the Organization – that is to say all of us – who are responsible for drafting this language and then adopting it in the Plenary must take the responsibility for any ambiguity in the text and not try to shift this responsibility to the Secretariat. I may also say that I do recall at the conclusion of the

meeting of the Programme and Finance Committees there was in the corridors quite a discussion among the Members of the two Committees on how this paragraph 68 should indeed be interpreted and there were certainly many members of those Committees who did feel that paragraph 68 called for exactly the kind of Zero Nominal Growth scenario the Secretariat has produced.

So I think the Membership must take responsibility for any ambiguity and not seek to pass that responsibility to the Secretariat. I say that without making any comment as to what the Secretariat ought to do now. It is quite clear that certain Members do have a view that Zero Nominal Growth is to be measured in US dollars and that would appear to require some additional work by the Secretariat.

**Richard W. BEHREND (United States of America)**

We would like to speak on this issue in some depth when the debate continues tomorrow morning but for the moment I would just like to support the intervention of the delegate of Japan. It was our expectation that there would be one scenario produced on the basis of Zero Nominal Growth in dollar terms. That expectation is based on our reading of the report of the Finance Committee, paragraph 55, so we agree, maybe for different reasons, but with the same outcome with Japan's interpretation of what was expected and we also think that, in any case, it is a good idea and is something that should be done.

**Tony WADE (Director, Programme, Budget and Evaluation)**

Turning first of all to the distinguished delegate of Japan, I appreciate that he needs more information to be able to understand what Zero Nominal Growth in dollar terms would require. The practicality of producing a new substantial document in the form of CL 125/10 between now and, I supposed, Tuesday or Wednesday are pretty serious, so I cannot offer that. What I can offer is some information because we did look at what it might mean if such a decision were made by applying the same rules that we developed in CL 125/10 but applying them to a different figure, which is Zero Nominal Growth in dollar terms and therefore a cut of US\$ 133.6 million.

So what are the assumptions we are working on? We are assuming an exchange rate of €1=US\$ 1.15 but can I say that this assumption is always a problem because we do not know what the exchange rate is going to be. From the time we started that work it is already US\$ 1.18 - 1.19. It is very difficult to do this accurately. We define Zero Real Growth as being US\$ 785.4. As I explained before that consists of Zero Nominal Growth US\$ 651.8 (the current budget level), US\$ 100.6 million for the exchange effect and US\$ 33 million for cost increases. That adds up to US\$ 785.4 million. If you define Zero Nominal Growth as US\$ 651.8 the difference is US\$ 133.6 million or a 17 percent reduction.

What are the consequences of a 17 percent reduction applied in the same way as we applied them in C 125/10? Assuming a proportional reduction in posts by grade type, that is general service and professional, there would be a total of 650 posts eliminated from the Organization of which 260 odd would be professional, and 388 would be general service. Because of the fact that we do not have that many vacancies - we have vacancies of around about 340 posts, there would be very significant redeployment and separation costs to consider because there are some 300 plus posts abolished but with incumbents sitting on them.

Assuming that your intention would be that we in some way solve that problem through separations, agreed terminations or whatever is necessary, that would require us to pay out separation costs to those 310 posts. That would be about US\$ 29 million using averages based on past experience.

At this stage we have a problem because that US\$ 29 million is not funded, so we have to add it to the US\$ 133 million and have a cut which amounts to US\$ 160 - 163 million.

What does it mean in terms of reductions to programmes? As you saw there were two absolutely protected programmes and there were a series of high priority ones which were given a 50 percent reduction and then there were the balance that were cut across the board. The protected



programmes therefore received a cut of 3.4 percent, which was referred to by one Member, and the remainder received a 6.8 percent cut. The cuts under your scenario would be 13.3 percent for the protected programmes, that includes IPPC, CODEX, the major programmes, fisheries and forestry, everything you are concerned about. For those that you are less concerned about, or have so far indicated less concern based upon your interventions in past debates, the cut would be 26.6 percent. That includes the Investment Centre, that includes all of the other programmes that were not subject to protection. So what I am trying to give you is an appreciation of what Zero Nominal Growth in US dollar terms might mean. It would be the most disastrous cut the Organization has faced in its entire history. Since 1994 we have taken an overall reduction in real terms of fifteen percent. We are now talking of adding 17 percent on top of that in one biennium. So I think that gives you a feel for Zero Nominal Growth. I hope it discourages you from pursuing it too much.

There is an argument that was put forward by the Delegation of Japan and repeated by others, which is we fundamentally can not afford to increase assessed contributions because people do not pay. This is not really a valid argument. It is true that there are a lot of people with arrears at the moment but there always are. In the history of this institution there is an ongoing group of Members, varying in its Membership, if I can put it that way, who pay two years late. There is another group which are *ad hoc* people in arrears, usually for special circumstances and special reasons. Now the first group, the group that are two years in arrears, they always pay, they just pay two years late. In the second group that has special circumstances, they too usually always pay when the special circumstances pass. I will give you some figures. If you look at all of the arrears, and I exclude the US arrears from this because they distort the figures very seriously in a sense that there is a big bulk of arrears and then there is a big bulk payment, but if I look at all of the other arrears and give you the average annual percentage shortfall against the assessed contribution, the figures are -1.2 percent, minus being a short fall, -.9 percent in 1986 – 1987, -.9 percent, -1.5 percent, -2.8 percent, +.2 percent, +1.9 percent, some recovery there, -1.9 percent, -percent 2.2. You are looking at an average of about 1.0 – 1.5 percent shortfall in a payment of contributions on the average over a long period of time.

What you are seeing is the inflationary effect of the increased outstanding arrears based on the fact that there are a group of people out there with two years outstanding. You are not seeing a growth in real arrears. So I do not think we have reached a general saturation point for the long term in terms of contributions and I do not think that this is a valid argument to say that for this reason you cannot protect the programmes of the Organization; that is your programmes, not the Secretariat's programmes.

Those were the two major areas on which I wanted to comment on this stage. If any Member wishes me to answer another point please do not hesitate to refer it to me.

#### **LE PRÉSIDENT**

Est-ce que quelqu'un souhaiterait prendre la parole? Non? Très bien, alors, nous allons ajourner cette séance et nous reprendrons demain à 9 h 30 je crois. Mais je voudrais demander aux présidents des groupes régionaux de nous réunir demain à 9 heures dans mon bureau et je voudrais que nous le fassions d'une manière régulière tous les jours du Conseil, c'est-à-dire, demain et après-demain.

*The meeting rose at 19.40 hours*

*La séance est levée à 19 h 40*

*Se levanta la sesión a las 19.40 horas*



# COUNCIL CONSEIL CONSEJO

**Hundred and Twenty-fifth Session  
Cent vingt-cinquième session  
125° período de sesiones**

**Rome, 26-28 November 2003  
Rome, 26-28 novembre 2003  
Roma, 26-28 de noviembre de 2003**

**THIRD PLENARY SESSION  
TROISIÈME SÉANCE PLÉNIÈRE  
TERCERA SESIÓN PLENARIA**

**27 November 2003**

The Third Plenary Meeting was opened at 10.53 hours  
Mr Aziz Mekouar,  
Independent Chairman of the Council, presiding

La troisième séance plénière est ouverte à 10 h 53  
sous la présidence de M. Aziz Mekouar,  
Président indépendant du Conseil

Se abre la tercera sesión plenaria a las 10.53 horas  
bajo la presidencia del Sr. Aziz Mekouar,  
Presidente Independiente del Consejo

### III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS

(continued)

### III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION (suite)

### III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS (continuación)

**5. Programme of Work and Budget (PWB) 2004-2005 (C 2003/3), including consideration of *Outline of a Zero Nominal Growth Scenario on the PWB 2004-05* (CL 125/10) (continued)**

**5. Programme de travail et budget 2004-2005 (C 2003/3), y compris examen de l'incidence du scénario de croissance nominale zéro sur le PTB 2004-2005 (CL 125/10) (suite)**

**5. Programa de Labores y Presupuesto (PLP) para 2004-2005 (C 2003/3), incluido el examen de las *Consecuencias de la hipótesis de crecimiento nominal cero en el PLP para 2004-05* (CL 125/10) (continuación)**

#### LE PRÉSIDENT

Troisième séance de la 125<sup>ème</sup> session du Conseil. Nous allons poursuivre l'examen du Point 5 de l'ordre du jour "Programme de travail et budget 2004-2005 (document C 2003/3), y compris l'examen de l'incidence du scénario de croissance nominale zéro sur le PTB 2004-2005 (CL 125/10). Je rappelle que les documents pertinents portent les références CL 125/10, CL 125/12, CL 125/INF/19 et C 2003/3; il y a également les documents CL 125/12 Corr.1 pour les versions arabe et espagnole et le document C 2003/3 Corr.1 pour la version espagnole. J'invite maintenant les délégations qui le souhaitent à prendre la parole.

#### Mme Anna BLEFARI MELAZZI (Italie)

J'ai une déclaration un peu longue à faire et j'espère que vous et les autres collègues vont me pardonner et c'est là la raison pour laquelle je n'avais pas demandé d'intervenir hier soir en remarquant que nous étions un peu fatigués.

#### *Continues in English*

I am speaking on behalf of the European Community and its 15 Member States, the ten acceding countries to the European Union associate themselves to this statement.

First of all, we would like to recall that the World Food Summit goal of halving the number of the world's chronically hungry and undernourished people by 2015 will hardly be met if more efforts are not made. This goal is put at the heart of the global agenda as it is enshrined in the Millennium Development Goals.

FAO has an important role to play to this end, since most of the hungry people live in poorly developed rural areas and depend on agriculture. We therefore believe that the Organization deserves the membership's inputs and contributions for the establishment of a more stable, transparent and solid framework to carry out its activities.

We particularly support the process allowing the Technical Committees, as well as the Programme and Finance Committees, to consider a preliminary version of the Programme of Work and Budget 2004-2005. Regarding their content, we have much appreciated the improvements of the Programme of Work and Budget, which is more transparent, well-balanced and increasingly reflects the priorities put forward by the Membership.

We welcome the new front section entitled Strategic Budget, which really helps understand the links between the Programme of Work and Budget proposals and the corporate strategies as well the strategic objectives contained in the Strategic Framework 2000-2015. We are pleased to see more detailed analysis of the efficiencies achieved by the Organization and of the scope for further efficiency gains. We consider the improvement of the Organization's efficiency without diminishing the quality of its services as a crucial issue.

As we said on previous occasions, FAO should use a well tried system of objective benchmarking to measure its level of efficiency as soon as possible. Furthermore, we attach great importance to the six strategies to address cross-organizational issues. The Priority Areas for Inter-disciplinary Action, PAIAs, are also of the utmost importance to meet most of today's challenges in agriculture and rural development requiring an integrated and inter-disciplinary response. We note with great satisfaction, the mainstreaming of gender issues through the new PAIA on Gender and Development. We look forward to the review of progress under the PAIAs by the Programme Committee.

The proposed Programme of Work and Budget takes adequate account of the priorities expressed by the membership during the technical committees and the previous Council on important issues such as Codex, IPPC, PGR, Forestry and Fisheries. We appreciate as well the responsiveness of the Secretariat in addressing the comments made at the stage of the Summary Programme of Work and Budget.

We took note of the reallocation of resources, which was unfortunately unavoidable, from Programme 2.5 Sustainable Development to the above-mentioned Technical and Economic Programme. Given the importance we attribute to sustainable development, we support the intention to limit the impact on its operational activities as much as possible. We have noted with satisfaction, the Secretariat's proposal not to reduce the budgetary allocation for Programme 2.5.2 which deals with gender and population.

We want to reiterate the importance that normative and operational activities be complementary and mutually supportive, and we do emphasize the importance of a balance between these activities. We fully encourage their synergy which is bound to play an important role in the agriculture development field and, therefore, in the fight against hunger.

We are grateful to the Programme Committee for the important work done on priority-setting. Considerable progress has been made on this complex issue. We are in favour of boosting the advisory role of the Programme Committee in setting relative priorities. We are pleased to see that the Programme Committee will devote, on a trial basis, more time to this central issue in its meeting in May 2004, when the medium-term plan proposals are considered. Priority-setting involves ranging activities and programmes irrespective of the budget level and determining their relative weight. The aim is to allocate resources rationally to selected programmes. Given the intergovernmental nature of FAO, the process of priority-setting is of a political nature and cannot rely simply on methodology. In this respect, membership involvement in programme planning is to be strengthened. The Secretariat's active role, of course, remains instrumental in making the process more transparent by presenting clear choices, reflecting the suggestions put forward by the membership.

The European Community and its Member States would like to stress the importance attached to the implementation of the human resources action plan. As I already stated yesterday, we consider an adequate investment in human resources a key issue for FAO to be an effective and efficient deliverer of services; and we therefore are in favour of securing an appropriate level of funding to the implementation of the action plan independently of the budget scenario adopted.

As for After-Service Medical Care liabilities, we consider the proposal for progressively covering after-service medical costs by setting aside approximately US\$ 40 million each biennium for the next 12 biennia, a valid one.

We have examined the different options submitted by the Secretariat to the membership and would like to express the following final considerations. We are aware that all possible efforts should be made to provide an adequate level of financial resources to FAO for the next biennium to ensure that the Organization can meet the challenges of an increasing demand for its activities aimed at boosting agriculture and rural development in the fight against hunger and poverty in the present international scenario.

Moreover, we would like to reiterate the comments we already made on Split Assessment. As we pointed out, we urge for the introduction of the split assessment methodology as from the next

biennium in order to establish a more stable financial framework for FAO to implement its activities. The methodology would give a significant contribution to the financial stability of the Organization preventing large financial gaps, such as the one we are now facing, from showing up again in the future.

As for the items concurring to the determination of the Organization's budget level for the next biennium, we have taken note that the depreciation of the dollar against the euro is to be taken into account, if we want to make up for the drop in the purchasing power of the resources of the Organization now requiring a considerable adjustment.

We have also taken note of the amount of cost increases that FAO is expected to face. Another important issue to be evaluated in this context is the provision already mentioned for the amortization of After-Service Medical Care liabilities, with particular reference to the first tranche to be set aside in the next biennium.

We are confident that the constructive dialogue and work will take place in the coming days in order to provide the Organization with an adequate level of resources to carry out its important activities and mandate in the next biennium. We can assure you that the European Union will do its best to contribute to a positive outcome.

**Flávio MIRAGAIA PERRI (Brazil)**

There should be no doubt that Brazil strongly supports the role FAO has been playing in the fight against malnutrition and hunger in the world. We are conscious of the significant role played by FAO in the support of Member countries' efforts to promote rural development through improvements in the efficiency of national agriculture, especially in developing countries, aiming at raising people's level of nutrition and standard of living in the world.

The Brazilian Government has analysed the content of document C 2003/3 and CL 125/10. The analysis we did could not be done without considering very carefully national economic situations. We should be conscious that many Member countries are adopting rigid national fiscal policies, which often imply severe cuts in their expenditures. That is our case, the current fiscal and budgetary policies in Brazil, as well as in a number of developing countries, result from the common understanding that those policies would also be beneficial to a balanced reorganization of the global economy.

In light of national economic imperatives, the Brazilian Government would favour the Zero Nominal Growth scenario, at least for this moment. It is not an easy choice, but it is the feasible one, without any adjustments due to excess rate fluctuations. In doing this difficult option, we should stress some points. One, the budget should reflect the needs in programme implementation, in accordance with priorities defined by Member Nations, where possible, with no negative implications on Members' interests in FAO Programme of Work. We might only admit minor adjustments in programmes in which the interests of developing countries are not clear, or ill-defined. Brazil cannot accept modifications in programmes of special and real interest for developing countries, in particular for those more in need of assistance.

In this context, my second observation is that it is important to recall the need to engage Member countries and the Secretariat in an exercise aiming at optimizing efficiency and effectiveness including the possibility of decentralizing further FAO activities in order to transfer expenses to areas where action-rated advantages exists. We firmly believe that Member Nations can provide a powerful guidance to the Secretariat. We trust in the skills of the Secretariat under the able leadership of the Director-General to help Member countries with important suggestions and the necessary complete information.

More specifically, in analysing Document C 2003/3, the Programme of Work and Budget 2004-2005, the Brazilian delegation wishes to convey the following remarks regarding two specific major programmes. Programme 2.4 on Forestry, in this chapter of the Programme of Work and Budget, it is proposed the implementation of the Programme 243A4 Forests, Policies and Governance. Firstly, it is the Brazilian understanding that Programme 243A4 deals with two

distinct elements, with two different concepts. On the one hand, forest policies, and on the other hand, governance. The qualification, forests, applies only to policies and it does not qualify governance.

Secondly, forest policies and governance, two distinct phrases, are considerations that could respond to the realm of national sovereignty. Each country is free to decide on the use they give to their forest resources, together with national stakeholders. The only role FAO can play is in response to requests by Member Nations to support their sustainable development policies.

As approved by Member States during the discussions regarding the preparation of the agenda of the last session of the Committee on Forestry, the phrase created at that moment, and deleted thereafter, I quote, "forest governance", is not acceptable and cannot be employed in any FAO documents. It is a terminology that does not find any agreed definition in any intergovernmental fora related to forests.

Programme 2.5, Contributions to Sustainable Development and the Special Programme Trusts. As I mentioned before, at the first part of my intervention, the Brazilian delegation expresses its concern regarding paragraph 545 which says that, "under Programme 253 Support to Farmers' Organizations (cooperatives, producer associations and farmer groups) will be severely curtailed". The Brazilian Government places assistance to small-scale farmers and cooperatives in the forefront of national priorities. It believes that it is also a national priority for many developing countries. In the case of FAO, the proposal included in the Programme of Work and Budget 2004-2005 to cut resources directed to this area, does not seem reasonable and fair. In spite of its well-known difficulties, which we have been discussing under Item 5, Member States should make all efforts to enhance the work of FAO, but ask the Organization to adopt further optimization of its services in order to maintain programmes which provide assistance to developing countries.

**Vincent BOULÉ (Gabon)**

Nous remercions le Secrétariat pour la présentation de ce point et pour le travail accompli dans la conception du Programme de travail et budget qui, comme le sommaire qui l'a précédé, respecte le nouveau modèle de programmation en prenant en compte les recommandations faites par les comités techniques. Nous remercions également les présidents des Comités financier et du Programme pour la présentation des sections de leur Rapport concernant ce point. Mon intervention portera sur le Programme de travail et budget et sur les Points relatifs aux rapports des deux comités.

Sur ces points, nous appuyons les déclarations faites par les délégations du Burkina Faso, du Cameroun et du Nigeria. Lors de notre session du mois de juin, le Gabon s'était déjà exprimé en faveur de la proposition d'un budget à croissance réelle. Nous réitérons ici cette position. Par ailleurs, nous approuvons la proposition de mise en recouvrement fractionné des contributions à compter de l'exercice biennal 2004-2005 tel qu'entérinée par le Comité financier.

En examinant le budget de la FAO au cours de la dernière décennie, il semble paradoxal, comme le souligne le Directeur général dans sa lettre d'introduction du PTB que certains États Membres préconisent une austérité budgétaire des plus dures alors même que les demandes adressées à la FAO sont en nombre croissant et que le budget n'a pas augmenté en termes réels ou nominaux, subissant même une baisse en valeur réelle de 15 pour cent. Nous reconnaissons que les programmes importants ont pu être maintenus grâce à des gains d'efficacité réelle mais nous craignons que cela ne puisse être le cas à l'avenir si la tendance à la baisse se poursuivait. Nous notons notamment avec préoccupation, tout comme de nombreux Membres du Comité du Programme et du Comité financier, les réductions apportées à certains Grands programmes dans le scénario de croissance réelle zéro. À cet égard, nous appuyons la position des Membres du Comité du Programme qui se sont opposés à la diminution des activités d'appui, au renforcement des capacités dans les pays en développement.

En effet, si nous approuvons le renforcement d'autres priorités comme celles des pêches et des forêts, nous estimons nous aussi qu'il n'aurait pas dû se faire au détriment des programmes qui

bénéficient directement aux pays en développement. Nous appuyons également la position du Comité du Programme quant à l'importance qu'il y a à donner une réponse adéquate aux besoins des Membres au titre de l'entité "214.A 2 ravitaillement des villes" et sur l'appui nécessaire aux activités portant sur les maladies et la production animales.

En ce qui concerne le Grand programme 2.2, nous voudrions attirer l'attention du Conseil sur l'inquiétude exprimée par le Comité du Programme quant aux effets négatifs de certains réajustements sur les activités opérationnelles d'assistance technique pour l'élaboration de systèmes de contrôle des aliments. Nous nous associons aux félicitations du Comité pour les importants efforts déployés par le Secrétariat pour donner suite à la plupart des recommandations formulées pour les Grands programmes des pêches et des forêts. Nous appuyons aussi particulièrement le renforcement des capacités nationales pour la gestion durable des forêts et la conservation des ressources forestières.

Nous faisons nôtres les inquiétudes exprimées aux programmes 19 et 20 du Rapport du Comité du Programme et nous associons aux membres opposés à des réductions budgétaires concernant l'éducation et la prise en compte du VIH/SIDA dans la sécurité alimentaire qui affaiblirait les organisations rurales. Nous appuyons particulièrement ce qui est dit au Programme au paragraphe 23 sur l'importance pour l'Afrique des avis en matière de politique fournis au titre du Grand programme 3.1, notamment dans le cadre du NEPAD.

Nous remercions la FAO des efforts accomplis dans ce domaine. Ces remarques étant faites, nous notons que dans les scénarios de croissance réelle et de croissance zéro, le Secrétariat a pu assurer un respect des orientations à long terme et des contenus techniques retenus, ce qui ne serait pas le cas dans un scénario de croissance nominale zéro tel qu'il nous est présenté dans le document CL 125/10 où il semblerait difficile de conserver le choix des domaines prioritaires, des objectifs stratégiques et de l'action interdisciplinaire auxquels nous avons oeuvré au fil des années pour une meilleure efficacité de notre Organisation et qui se sont avérés positifs. De plus, il est indiqué aux paragraphes 20 à 24 que si une décision de Croissance Nominale Zéro était prise par la Conférence, le Secrétariat se trouverait devant la nécessité d'appliquer des mesures d'urgence tout en étant dans l'impossibilité de privilégier arbitrairement certaines activités.

Nous remercions le Secrétariat pour la liste des domaines protégés, présentés aux paragraphes 27 à 35 qui nous semblent correspondre à l'attente des membres en général mais sommes dès à présent opposés à certaines réductions de ressources, dans les domaines de l'utilisation et conservation de l'eau, dans ceux des pêches et des forêts et des Représentants de la FAO.

Pour conclure, je lance un appel aux États Membres afin que le niveau de compétence auquel est arrivé notre Organisation et l'aide précieuse qu'elle apporte aux pays en développement ne soient pas mis en danger par le choix d'un budget insuffisant.

**Govindan NAIR (India)**

The Secretariat deserves to be complimented for the lucid yet comprehensive documentation of the Programme of Work and Budget, delineating a number of important issues.

India has consistently shared its concern on behalf of the developing countries at the stagnating budget, which shows decline even in nominal terms over the years. So far, the Organization has averted a major erosion of its programme content by making efficiency savings. We do endorse, however, the view of the Director-General that there are limits to such savings and that these, in any case, cannot become surrogate resources.

We are, in particular, concerned about the impact of this trend on the allocations for interventions for least developed countries. We strongly believe that the mandate of the Organization is essentially to cater to the needs of these countries where food deficits and subsistence farming are the order of the day. If the needs of these countries are neglected the very rationale of the continuance of the Organization is bound to be challenged.

A related aspect, which naturally arises for consideration, is the marked shift in deployment of resources to normative initiatives. Useful and highly desirable, as these initiatives are, we firmly



believe that in the scenario of acute resource constriction, these need to yield to programme interventions for developing countries. There is also the question of the capabilities of developing countries to be able to put in place the regimes which follow in the wake of normative accreditations.

We note with concern that while despite fund constraints normative accreditations are still receiving higher allocations. There is a decline in assistance for capacity building in areas like WTO negotiations, food control systems, CODEX compliance, etc.

Developing countries are therefore in a situation of double jeopardy, where normative allocations give rise to increasingly exacting demands, while the declining assistance for capacity-building tends to incapacitate them from meeting such demands.

Lastly, we would like the Secretariat to enlighten the present forum about the actual utilization of funds under the Technical Cooperation Programme. As we consider these allocations to be the first charge on FAO's budget, we would like to be assured that these funds are being deployed fully, as per the approved allocations and in no circumstances are they allowed to lapse at the level of regional offices, etc. With these observations and caveats, we generally endorse the Programme of Work and Budget, and we support a Real Growth Budget.

We find the discussion on Real Growth and Nominal Growth a little baffling. It almost appears that some countries, particularly the larger donors, believe that the burden of any increase in the budget revolves essentially on them. This we find confusing. If there were to be a 3.4 percent increase or a five percent increase or even higher increase, the burden is shared equally on all countries. The increase would be divided among all countries, according to their assessed contributions. The increase would be equal on a contributor of US\$10 million as a contributor of US\$10 thousand.

With this we would like to support a Real Growth budget and we compliment the Secretariat on their document.

**Ms Heidi PIHLATIE (Finland)**

Finland speaks on behalf of the Nordic Countries: Denmark, Finland, Iceland, Norway and Sweden. We also want to give our support to the statement made here on behalf of the European Community and its 15 Member States.

We welcome the new additions and improvements that have been made to the Programme for Work and Budget to facilitate its easier comprehension. We are pleased at the Secretariat efforts in presenting the Membership with alternative scenarios reflecting different budget levels. We also want to highlight the value of having a thorough discussion on different options in the Programme and Finance Committees and stress the importance of transparency and dialogue.

The Nordic countries note with satisfaction that many of the concerns expressed by us have been taken into consideration when preparing the alternative scenarios. In setting priorities the Secretariat has duly considered the views expressed regarding the funding of IPPC, CODEX, Fisheries, Forestry and the International Treaty on PCRFA. We also highly appreciate the way in which the Programme Committee has committed itself to these activities.

The Nordic Countries regret the fact that such important programmes in the area of Sustainable Development as 2.5.1 Research, and Natural Resources Management and Technology Transfer and 2.5.3 Rural Development, have received low priority in the Secretariat's considerations.

In this context, we believe that reallocation within the budget could be achieved so as to avoid reducing these very important programmes. We highly appreciate that the Secretariat has given high priority to Programme 2.5.2. which deals with Gender and Population. With regard to Programme 3.4, we note that the Secretariat has given high priority to the FAO Representatives.

While emphasizing the importance of coordination and harmonization processes in the field, we are hesitant towards this budgetary increase. We are of the opinion that the issues brought forth,

by the last Joint Inspection Unit Report, have not been dealt with adequately and we feel that this issue will not be solved simply by increasing the allocations for the Programme.

The Nordic Countries would like to see FAO become a more active member in the Poverty Reduction Strategy Dialogue and make its knowledge and comparative advantages more familiar through, for example, UNDEF and NEPAD. While the priority setting is discussed, the interaction of FAO with various development actors not the least the UN Agencies themselves should be kept in focus.

The Nordic countries recognize the progress achieved in making FAO work more efficiently and the efforts to further continue on this path. We welcome the proposal of introducing Split Assessment, as well as the need to strengthen efforts aimed at reaching the goals set by the Millennium Declaration, the World Food Summit and other recent major conferences.

The Nordic countries wish to encourage a political, as well as technical decision in the coming days for finding a settlement on the budget that makes it possible for the organization to meet the increase in demand for its activities. We believe that this requires a budget level in line with the Zero Real Growth proposal taking into account exchange rate fluctuations and after service medical costs.

**David INGHAM (Australia)**

FAO is operating in the increasingly complex environment, where individual countries and the international organizations to which they belong, are being asked to change their focus and increase their efficiency and effectiveness as new priorities for using their scarce resources emerge.

In this environment organizations, such as the FAO, cannot afford to remain static but need to respond to changing priorities as reflected by the views of their members. Australia would like to thank the FAO Secretariat for all the work they have done over the past two years in preparing the documentation which we have before us, to assist conference to reach decisions on FAO's Programme of Work and Budget for 2004-2005.

While Australia appreciates the Secretariat producing the document CL 125/10 Programme Work and Budget 2004-2005 in line with a possible Zero Nominal Growth scenario, which you will recall the FAO Council requested at its June session, Australia like some others who have already spoken under this item, believes that this document does not properly present a Zero Nominal Growth scenario as it assumes that FAO's budget will be compensated for the reductions in purchasing power resulting from the fall of the US dollar against the Euro of the past two years.

Australia believes that there can be no presumption that this will be the case. We do not endorse the supplementation of FAO's budget between 2002-03 and 2004-05 biennium to take account of exchange rate movements.

Australia thinks it is important to clarify that the Zero Nominal Growth scenario presented in CL 125/10 incorporates exchange rates supplementation to maintain the purchasing power of the 2004/05 budget at the 2002-03 biennium level of around US\$ 650 million at exchange rate of Euro 1 equals US\$ .88

Australia believes this level of resourcing is arbitrary and members are free to decide how much, if any, exchange rate supplementation is appropriate as the decision is made on the budget level over the next two weeks.

Australia is committed to Zero Nominal Growth as a ceiling for all UN Agencies and therefore, Australia supports a budget level which excludes any exchange rate supplementation.

Australia believes that maintaining the budget at Zero Nominal Growth will continue to impose financial discipline which is an essential element in making the organization a more effective efficient and productive one.

We recognize that in terms of the real level resourcing this would require significant adjustment by FAO with FAO needing to make major structural and programmatic changes.

We would also note, as others have noted already, that national governments are continually facing increasing financial pressures within their own national budgets. We think it is important that the FAO recognize this. Many countries are under severe financial stress. And Australia believes that the level of the FAO budget needs to take account of these realities.

Moving from the budget level to FAO's Programme of Work, Australia notes that CL 125/10 Programme of Work and Budget Zero Nominal Growth scenario paper, indicates that there is justification for some measure of protection in areas where there has been either a formal decision from the Governing Bodies or consistent expressions of support from the Membership.

While Australia would endorse this principle, we would not endorse the application of this principle given in the Zero Nominal Growth paper. There are clearly disparities in application. In particular, Australia would draw Council's attention to those FAO programmes which the Governing Bodies have recently and consistently stressed should be adequately funded. As CL 125/10 Programme for Work and Budget Zero Nominal Growth paper indicates, this would include IPPC and CODEX Alimentarius, Fisheries and Forestry areas.

Australia believes that these activities as mentioned in the Zero Nominal Growth paper should clearly be in the most advantageous category. Anything less would be an abrogation of the guidance provided by the Membership. Australia strongly supports the allocation of adequate resources to these activities to enable them to meet the expectations of Member Governments and carry out their critically important work.

In view of the clear guidance which has been provided by the Technical Committees, the Programme Committee and the Council, these activities need to be fully funded to the levels previously identified by the Governing Bodies irrespective of whatever budget level is agreed.

We would also again emphasize that we support the shifts from Major Programme 2.5 to enable these programmes to be funded at the levels identified and supported by the Governing Bodies in the revised Programme for Work and Budget. While this is regrettable, it is necessary if we are to undertake effective prioritization.

#### **Mitsunori NAMBA (Japan)**

Yesterday, my delegation made a general comment on these very important issues and pointed out the need to maintain the sound management of FAO. Today my delegation would like to make specific comment on the basis of this idea.

During the discussion, under this agenda item, my delegation noticed some Members expressing their concern on the reduction of major programmes or project activities stated to support the Real Growth scenario. However, my delegation would like to point out that we are now discussing the regular budget. Major Programme or project activities are mainly covered by the Trust Fund resources and voluntary contributions. Consequently, if we discuss the size of regular budget and, even if we reach a conclusion to reduce it, the negative impact to the Programme or project activities are very small.

Yesterday my delegation requested the Secretariat to prepare the Real Zero Nominal Growth scenario. We believe this is necessary in order to examine the biennial budget for the year 2004-2005, and to compare this to the current PWB. These are essential factors for our deliberations and we wish to reiterate our request that the Secretariat prepare the RZNG scenario.

We have noticed A significant amount due to the fluctuation of the exchange rate, US\$ 100.6 million, this is a significant amount, it is a challenge and a very difficult task for the Members and FAO Secretariat to compensate or to cover these figures. We need some scenario based on the Real Zero Nominal Growth. Without this scenario, perhaps Members cannot understand the situation clearly. This is why it is not an easy task for us to have the evaluation. However, for the information of the Members, I would like to point out three important issues.

Firstly, is the review of post allocation in the FAO overall budget, more than 60 percent is devoted to personnel services, namely salaries and allowances and after service benefits. More than 80 percent are other costs for human resources. In this situation, review of staff costs allocation is of the utmost importance in order to realize an affordable budget review. Nevertheless, even the Zero Real Growth option presumes an increased professional staff posts by 70 from the current 1,468 to 1,538. It seems, that reductions developed in the Zero Nominal Growth scenario are all in comparison to the other ZRG option and not in comparison to the current budget. There is also a need to review this starting point. The PWB document which put forward Real Growth and Zero Real Growth options, presents an argument, that new posts needed to be created, with the aim of providing opportunities, for attracting young professionals given the significant staff turnover foreseen in the up coming years due to retirement. However, staff turnover should be planned without including the number of posts. Consequently all the posts created should be thoroughly reviewed.

Secondly, the PWB makes explicit reference to the application of further efficiency saving measures but makes no projection of actual savings expected. Although potential gains should not be expected to be close to the past gains, reasonable projection should be incorporated in the PWB to be adopted at the Conference.

Thirdly, my delegation highly appreciates the Secretariat's efforts in preparing the Zero Nominal Growth scenario to introduce clearer prioritization. Reflecting either a formal decision of the Governing Bodies or consistent expressions of support for certain programmes from the Membership.

My delegation believes that the following programmes should be severely reviewed; the programmes in the area of other international organizations' mandate; programmes that could be addressed through bilateral or other forms of cooperation. Perhaps through these measures, we may overcome the difficulties we face.

In conclusion, my delegation believes that a budgetary decision should be adopted by consensus. Although the constitution of FAO provides that the decisions on the level of the budget shall be taken by a two thirds majority of the votes cast, every effort should be made in order to avoid making budget level decision by majority. It is especially essential, for sustainable and sound management of FAO, to enable major contributors to support a budget level decision.

#### **Aboubakar BAKAYOKO (Côte d'Ivoire)**

La délégation de Côte d'Ivoire voudrait tout d'abord féliciter le Secrétariat pour la clarté et la pertinence du document relatif au Programme de travail et budget 2004-2005. Elle adresse également ses félicitations à M. Wade pour sa brillante présentation, notamment celle relative au fractionnement des contributions.

La Côte d'Ivoire se félicite des nombreuses et importantes améliorations apportées au PTB. Nous accordons une importance particulière à toutes les affectations budgétaires des Grands programmes, notamment en ce qui concerne le Grand programme des Cinq. Nous avons entendu ici que des ressources de ce Grand programme ont été affectées à d'autres programmes, notamment la CIPV et le Codex Alimentarius. Jusqu'à ce jour, nous n'avons reçu aucune raison valable pour cette décision. Les États Membres non plus n'ont pas dit que ce transfert de fonds devait se faire au détriment du Grand programme des Cinq. C'est pour cela que nous émettons des réserves quant à cette décision et demandons que cette situation soit corrigée en répartissant au mieux la charge des financements des activités de la CIPV et du Codex sur tous les États Membres.

Si cela n'est pas fait et si des arguments valables ne nous sont pas donnés, la plupart de nos pays pourraient s'opposer à cette décision, au risque de ne pas soutenir l'affectation des ressources de la CIPV et du Codex. Au stade actuel de nos travaux, trois scénarios de Croissance nous ont été présentés: la Croissance Réelle, la Croissance Réelle Zéro et la Croissance Nominale Zéro.

Vous vous rappelez sans doute que le Directeur général de la FAO, à l'ouverture de cette session nous indiquait que la FAO est pratiquement la seule organisation du Système des Nations Unies qui a fait d'énormes sacrifices, tant au plan budgétaire qu'au niveau des ressources humaines. Souvenez-vous que le budget est passé de 873 millions de dollars en 1994-1995 à 651 millions de dollars?

Aujourd' hui encore 842 millions de personnes subissent les affres de la faim et de la malnutrition. Si les tendances actuelles se poursuivent, comme cela vous a été dit, il faudrait hélas 150 ans pour atteindre les objectifs fixés par le Sommet mondial de l'alimentation de novembre 1996. Comment pouvons-nous concevoir qu'après deux sommets en l'espace de cinq ans qui ont réuni plus de 100 chefs d'État et de gouvernement, où des engagements historiques ont été pris et réaffirmés, nous refusons ou nous hésitons à donner à la FAO les moyens nécessaires et adéquats pour appuyer ce combat contre la faim et la malnutrition. C'est la raison pour laquelle mon gouvernement soutient la déclaration faite par le Groupe africain et réaffirme son soutien au scénario de croissance réelle. Gardons-nous de mettre notre Organisation en péril.

En ce qui concerne le recouvrement fractionné des contributions, la présentation faite par M. Wade basée sur les analyses d'experts de haut niveau et le travail colossal fait par le Comité financier montre que cette option est la meilleure voie pour protéger actuellement l'Organisation contre les risques liés aux taux de change. Ma délégation en appelle au sens de solidarité de tous pour que nous obtenions le consensus pour la mise en œuvre de ce type de recouvrement fractionné à partir du biennium 2004-2005. Enfin ma délégation félicite le Directeur général de la FAO, le Secrétariat et tout le personnel de l'Organisation pour leur dévouement, leur détermination, leurs expertises qu'ils mettent à la disposition des États Membres pour que ce noble combat qui est la lutte contre la faim, la malnutrition et la pauvreté soit gagné.

**James BUTLER (United States of America)**

We support FAO and want to continue to be an active partner in reducing global hunger and poverty. We support the statements made by many delegations yesterday on the importance of FAO's work on CODEX, IPPC, Plant Genetic Resources, Forestry and Fisheries.

The United States continues to advocate budget discipline, increased efficiency, and prioritization in allocating the financial resources of international organizations.

The United States is willing to accept the obligations for Member Nations to pay US\$ 14.1 million for After Service Medical Costs and is willing to support additional of US\$ 2.1 million for security as proposed by the Secretariat. Starting with a base line of US\$651.8 million would imply a budget envelope of US\$ 668 million.

However, the United States continues to be concerned with both, the proposed inflationary cost increases to the regular budget level of over five percent and, the large increase for exchange rate adjustments. We do not support these increases in the regular budget level and believe that any such increases should be accommodated by making tough choices on programme prioritization and by further efficiencies.

In addition, the United States is concerned with the projected decline in extra-budgetary contributions received by the Organization. We believe that FAO should continue to attract resources, to fund special projects of interest to donors, that can be funded outside the regular budget.

We believe large budget increases are inappropriate at a time when a number of Member Nations are already experiencing financial difficulties and are unable to pay their assessed contributions.

We believe that constrained budgets benefit the Organization by helping to ensure a leaner, more efficient, and more focused Organization and by keeping assessments affordable to Member Nations.

**Ms Perpetua M. Simon HINGI (Tanzania, United Republic of)**

Tanzania appreciates the improved format and details of the Programme of Work and Budget document but has the opinion that in future the document could be shortened without losing major contents and focus. We also strongly plead that due consideration be made not to shift resources from the Major Programme 2.5: Contribution to Sustainable Development and Special Programme Thrusts. As this Programme addresses key elements and activities that we consider to be essential for development at ensuring increased food production and security.

With regard to budget scenarios, Tanzania supports the Real Growth Budget scenario as it is pragmatic and guarantees implementation of FAO supported activities related to Food Security and other development goals.

**Víctor Hugo MORALES MELÉNDEZ (México)**

Aprecio los documentos elaborados por la Secretaría y las mejoras introducidas en la presentación del PLP así como los esfuerzos de la FAO en sus actividades sustantivas que cuentan como siempre con el apoyo del Gobierno de México. Las propuestas presupuestarias que se someten en esta ocasión a la consideración del Consejo presentan un crecimiento elevado. Si bien mi delegación coincide con la Secretaría en el sentido de que, debido a la fluctuación del tipo de cambio Euro/Dólar, no pudieron absorberse los incrementos previstos de los costos, convendría que se examinaran otras posibles soluciones para conseguir economías, como podría ser una reestructuración, que igualmente podrían hacerse a través de una mayor eficacia en la labor del Organismo. Compartimos la profunda preocupación de que la reducción del personal traerá como consecuencia gastos por indemnización, por ello se sugiere que esta medida se examine cuidadosamente a fin de no afectar la operación y asignación de recursos del presupuesto a los programas principales.

En los términos propuestos el PLP 2004-2005 no resulta aceptable para mi país ya que su adopción lleva implícito el riesgo de un mayor endeudamiento de varios miembros de la Organización al no encontrarse en la posibilidad de absorber el costo del aumento propuesto. Éste debe ajustarse a un proyecto con crecimiento nominal cero, considerando que, en los últimos años, por ejemplo mi país ha sido uno de los afectados por su contribución a la FAO, la cual como se recordará, se incrementó significativamente en los últimos años.

En relación con la orientación intergubernamental sobre los programas a ser protegidos y fortalecidos, compartimos la preocupación expresada en el Comité del Programa por la eventual reducción de dos programas comprendidos en el Programa Principal 2.5. Por otro lado, resulta adecuado el fortalecimiento del Programa 2.2 con el incremento de los recursos a la creación de capacidad en los países en desarrollo para las negociaciones comerciales sobre agricultura. También apoyamos el fortalecimiento del Programa 2.3 Pesca, el Programa 2.4 Montes y aquí coincidimos también con la postura expresada con Brasil sobre este asunto y, de manera particular, apoyamos la preservación y el fortalecimiento del Programa 4.2 sobre el PCT.

Reitero el aprecio del Gobierno de México por la labor de la FAO para combatir el hambre en el mundo y el apoyo que da al sector agrícola en los países en desarrollo. México continuará contribuyendo con ahínco y responsabilidad con las acciones de la FAO para alcanzar los objetivos que le indican su constitución y los establecidos por la Cumbre Mundial sobre la Alimentación y la del Milenio.

El diálogo constructivo será fundamental para dotar a la FAO de los recursos y los mecanismos que hagan más eficiente su labor.

**Worawate TAMRONGTANYARAK (Thailand)**

My delegation appreciates the preparation of the Programme of Work and Budget by the Secretariat. We acknowledge the difficulties in setting priorities as recommended by Members. However, we would prefer Zero Nominal Growth budget due to several reasons.

Firstly, Thailand had a financial crisis in 1997 and we have not yet fully recovered from the crisis.

Secondly, our financial contribution to the FAO does not reflect the reality of our economy; I refer particularly to the increasing of our contribution during the financial crisis. At present our contribution is the highest in the South Asia Region and higher than some developed countries' contributions.

Thirdly, the Government has also instructed government agencies to review their financial commitment to the international organizations. In the case of FAO, we have to provide some justification of the contribution. We find it very difficult to convince the authorities concerned therefore, for any increase in financial contribution.

For these reasons, my delegation would support the Zero Real Growth scenario. However, we believe that with the improvement of the economic situation we might be further able to consider either Zero Real Growth or Real Growth.

With regard to the Split Assessment we are of the view that the FAO Members should not be responsible for the additional costs for the Split Assessment. Furthermore, since some Member countries' budget for the contributions have already been allocated on a United States dollar basis, may I suggest that for the coming biennium budget Members may be allowed to choose either US dollars or euros in their contributions. Of course, the Secretariat would analyse the implications of this alternative.

**Michael TABONG KIMA (Cameroon)**

Cameroon took the floor yesterday so I thank the Chairman for giving us the opportunity again. Just to support the views of Gabon, Burkina Faso, Nigeria, Côte d'Ivoire and United Republic of Tanzania. The Real Growth scenario is what we support. We do not approve any reduction of resources from field programmes, especially Major Programme 2.5, to benefit any other. We recommend that activities in this Major Programme remain as they were in the provisional Programme of Work and Budget which was examined at the Hundred and Twenty-fifth Session of the Council.

**Li ZHENG DONG (China) (Original language Chinese)**

I thank the Secretariat for the preparation of the Programme of Work and Budget, for their great efforts and they have put to us three scenarios, especially the third one, which is the Zero Nominal Growth. We have just received this scenario; it is under our consideration. However, from first glance I feel this Zero Nominal Growth is a bit different from the previous one. My delegation believes, when considering the Programme of Work and Budget of FAO, we should base ourselves mainly on following three principles.

Firstly, the objectives of FAO, the mandate of FAO. Because FAO, in the past several years did a great deal of work to promote agriculture in the world and in the combat against hunger and malnutrition, FAO has achieved great achievements.

Secondly, we should consider the ability and the capacity of the Member Nations for paying the contributions. Just now I have heard some delegations mentioned this also.

Thirdly, we should also consider the efficiency and the quality of FAO's work. If the efficiency is very high, and the quality is high then countries who are paying contributions would also feel very satisfied. In a simple word the quality of language is vital and important. Sometimes we feel, when we read a document in one language is not enough for us to comprehend the meaning, to grasp the meaning, so we need to read in several versions.

**Grishon Kithome NZUVA (Kenya)**

Allow me to echo the sentiments of my colleagues from the Africa Group on the Real Growth scenario of the budget. As Members will recall the past two Summits called on Member Nations to initiate strategies of poverty reduction and enhanced food production. In the process Member

Nations, particularly those implementing the Special Programme on Food Security, have turned to FAO for support as the most convenient avenue of getting out of this scenario.

In order to avoid ending up in a vicious cycle, the FAO budget, therefore, should be enhanced in order to meet the Members' increasing demands and expectations. While appreciating the difficulties faced by Member Nations in meeting their obligations of assessed contribution it might also be necessary to revisit our national priorities with a view to giving FAO a higher priority ranking. This in turn will assist in boosting FAO's kitty through timely payments of Assessed Contributions.

The Trust Fund idea as just stated by the Japanese delegation is also our view as it will go a long way in supporting food security strategies and initiatives.

**Anton KOHLER (Switzerland)**

My delegation has carefully listened to this ongoing debate. We would like to state that we support the statement of the Italian delegation on behalf of the European Community. We, therefore, hardly need to repeat the emphasis which the European Community expressed regarding the priority-setting of FAO in document C 2003/3. We also support the European Community statement regarding an adequate level of funding in order to allow FAO to establish a more stable and solid framework to carry out its activities. We would like to underline the importance which Switzerland attaches to the Programme of Sustainable Agriculture and Rural Development and to the EMPRES programme.

With regard to SARD, Sustainable Agriculture and Rural Development, we are deeply concerned by FAO's study on Agriculture Towards 2015-2030. This study projects a non-sustainable way out of the present drama of hunger and poverty, incurring a high ecological cost in the short, middle and long run. Sustainability has its cost regarding the social and ecological dimensions. This is why Switzerland stresses the high-priority which we attach to the Major Programme 2.5 about FAO's work on sustainable development, especially referred to in paragraph 543 of document C 2003/3.

We would like to close with the remark that we attach high priority to a balance between normative and operational activities.

**Alfredo Néstor PUIG PINO (Cuba)**

La Delegación de Cuba considera que es importante pronunciarse en circunstancias en las que varios programas importantes de la Organización corren el peligro de ser disminuidos o afectados, como también la labor que hasta este momento ha venido desarrollando la FAO en su importante contribución de disminuir el hambre y la pobreza en el mundo. Nuestra delegación ha venido siguiendo muy de cerca cada una de las intervenciones que aquí se han hecho con respecto a los temas que nos ocupan, es decir, la aprobación del presupuesto para el próximo bienio.

Nuestra delegación desea expresar ante todo el más estricto apoyo a las labores que realiza la FAO y a los esfuerzos que viene realizando. Nuestra delegación piensa que una reducción sustancial de los recursos que necesita la Organización sería catastrófico para aquellos países beneficiarios netos de la labor de este Organismo. Debo reconocer que, en un principio, en un examen preliminar de los documentos, nuestra delegación, quizás inspirada por esa vocación solidaria de nuestra región, consideró que hubiera sido mucho más efectivo para nuestros países asumir una propuesta de crecimiento nominal cero. Pensábamos inicialmente que el costo de asimilar los gastos que conllevaba un presupuesto de esta naturaleza podrían gravitar indudablemente en nuestra ya reducida economía. Sin embargo, queremos expresar que después de un ulterior examen, después de haber escuchado incluso a numerosos países que se han pronunciado por una propuesta de crecimiento real, nuestra delegación considera que sería mayor el costo de asumir en estas circunstancias una propuesta de crecimiento nominal cero al que representaría el corte de importantes programas si asumiéramos esta propuesta.

No quiero extenderme en la necesidad y la importancia que para todos nosotros tiene esta Organización. Creo que ha sido reconocida y, en este sentido, mi delegación apela aquellos que



indudablemente valorando una parte sustantiva de sus intereses se pronuncian por una reducción del presupuesto. Nos pronunciamos para que la Organización apruebe una propuesta de presupuesto bajo el sistema de crecimiento real; consideramos y compartimos la opinión de que no debemos llegar al final de la discusión sin que haya un consenso en este sentido pero tampoco nos opondríamos a que se votara, en un momento determinado, si en ello va el peligro de programas fundamentales de la Organización.

**Ambroise N. OUEDRAOGO (Burkina Faso)**

Nous nous réjouissons encore une fois de pouvoir apporter une contribution à l'ensemble de ce débat qui se mène depuis hier et qui en réalité est aussi la manifestation d'un intérêt important que les Membres de l'Organisation portent à ces différents programmes et puis à son avenir.

Nous voulons simplement dire deux choses, au niveau des programmes. Nous soutenons fermement un bon financement des programmes 2.5 de la pêche et de la forêt à travers les sous programmes 2.3 et 2.4 parce que cela est essentiellement des questions de préservation, du maintien et du renforcement des ressources naturelles et cela est important vu la vulnérabilité de nos pays en développement.

En ce qui concerne la question de renforcement des capacités, il est reconnu de plus en plus que dans ces pays en développement, tel que mon pays le Burkina Faso, c'est décidément à travers ces approches que nous pouvons toucher les couches les plus vulnérables parce que la plupart d'entre-eux proviennent d'un milieu rural, (80 pourcent des activités), la plupart d'entre-eux sont jeunes et sont des femmes donc les catégories les plus touchées par les questions de la faim et de la pauvreté. C'est pour toutes ces raisons que nous pensons qu'il faudrait protéger les programmes de notre Organisation en la dotant d'un budget qui lui permette de fonctionner correctement et de soutenir les programmes liés au développement durable.

Mes prédécesseurs l'ont mentionné tout à l'heure. Si la FAO s'est fixé des objectifs, si nos différents pays se sont aussi engagés, que se soit à travers les programmes du millénaire, ou à travers le NEPAD, que ce soit les déclarations de Maputo, nous avons besoin du soutien de nos différentes organisations pour les atteindre et cela signifie que si nous continuons à prendre des décisions qui peuvent mettre en péril l'activité et l'efficacité de ces organisations, nous ne seront encore que plus perdants. C'est pour cela que nous persistons et nous insistons sur un appel à une solidarité de nos principaux donateurs car il est aussi perceptible que ces principaux donateurs ne soient pas nécessairement ceux où la lutte pour la faim et la pauvreté est effectivement la première priorité. C'est cela aussi la solidarité et pour cela nous pensons que nous devrions pouvoir arriver à une solution de consensus. Bien sûr le vote est une arme mais à notre avis la solidarité doit aussi s'exprimer à travers notre travail car j'ai entendu hier que la lutte contre la faim, la pauvreté c'est également la lutte pour la paix parce qu'en réalité ces deux choses sont généralement associées. Voilà ce que nous voulions exprimer par rapport au débat en cours.

**Mrs Mary Margaret MUCHADA (Zimbabwe)**

My delegation and indeed the Group of Africa reaffirm their commitment to the decisions taken in the previous Council and in related technical committees that have debated the items of the budget we are now considering. We associate ourselves with the statements that have been made by delegations from our Region that have articulated the core issues in the current budget. Particularly, how the budget imparts on the field programmes in Africa. We wish to thank the many other delegations that have supported us in our efforts to ensure we improve field operations and not scale them down just when they are beginning to yield positive results. We continue to appeal to the other partners to appreciate our need and take our concerns into consideration, particularly as we look at the implementation of the Programme of Work that seeks to implement the resolutions of the World Food Summit: *five years later* that were taken only last year by our Heads of State.

This is the first time we are meeting as a group to decide a budget that seeks to implement the decisions that were approved then. I would like to appeal to my colleagues and partners that we think seriously as to whether we still want to meet the objective of reducing hunger at an

increased rate. A third of the hungry people are in Africa. We invite partners to look at the programmes addressing our situation in that perspective. The way we will take decisions that respond to problems we face is affected by this background information. Looking at the challenges we face, while we appreciate progressively improving in the normative angle, we do, however, feel that it is the operational functions at the moment that will yield more food-producing initiatives in Africa. Experience and field studies have demonstrated this fact. We, therefore, feel that with this tried and tested approach, we should try and give this approach a priority.

The current budget has already compromised items such as sustainable and rural development in an attempt to accommodate some of the new functions that have come on board that relate to normative responsibilities. Any budget compromising the initiatives that affect the lives of 70 percent of the people living in developing countries cannot claim to be working to address hunger in its totality. So, unless the objective of this Council is shifting from its original perspective, it is difficult for us to be convinced that the way in which the current budget is shaped is meant to eradicate hunger in its totality. The Secretariat analyses have given a real indication of what is happening and of the kind of budget they can allocate to the farmers. If we are now seeking to compromise this budget in favour of projects that are likely to benefit normative functions that mostly benefit countries that have other sources of financing, we feel that the African farmers are really being short-changed because for them this may be the only other source of empowerment that is available to them. The budget takes into account the priorities we all discussed over the past two years and agreed to as Member Nations. It even goes ahead to give the analysis that we had requested from the Secretariat to do so.

I would think that having gone so far negotiating together, we should now be seeking to try and find ways to put our discussions into action. Recalling that last year our Heads of State made a commitment, and that in the Johannesburg Conference on Sustainable Development there was emphasis on the fight against hunger, that NEPAD itself has put out a programme in which provisional food security on the continent is one of the key issues. Over and above this, noting the new responsibilities that we have taken and that the weakening exchange rates of our currency is further eroding the budget that we have in FAO, the only way for us to redouble efforts as we have committed ourselves in the many Summits here is to ensure that adequate resources are availed in those areas where food would be produced.

My delegation calls upon member states to consider a Real Growth scenario for FAO in order for it to effectively carry out its mandate in the Programme of Work that we have set before it. The current budget proposal that is being put forward by some Member Nations in the Nominal Growth scenario demonstrates that we are taking a decision without even taking into perspective the impact of this decision on the beneficiaries that we intend to benefit. In any case, when we look at the budget that we are talking about, the budget that FAO is requesting from the Member Nations to implement the Programme that the Member Nations have agreed upon themselves, it is not even as big as the subsidies that are being accorded by just one of the big member states that we have in this room. So, we know that what we are asking of FAO is a mere pittance compared to the subsidies that those who have the resources are prepared to give farmers not across the board but maybe farmers just for cotton, in order to cut out cotton farmers, in Africa or just for dairy or any other such products in which Africa is trying to improve its situation. For me, a simple addition shows that we cannot add new programmes to a budget. Let it remain constant for ten years and then expect to get growth from the same programme.

So the target of reducing the number of hungry by the year 2015 is not included in the current budget if we look at the sums in the manner we are putting them across. If it is the objective to reduce hunger, a Real Growth budget scenario is the only way out for us to consider.

**Acisclo VALLADARES MOLINA (Guatemala)**

Hago uso de la palabra en nombre de Doña María Elena Ávila, Ministro de Seguridad Alimentaria de Guatemala, quien preside esta Delegación. Quisiera llamar a todos a una reflexión sobre lo siguiente: a veces nos acostumbramos a utilizar cierta terminología que, al final de cuentas, lleva a

la más profunda confusión. Eufemísticamente hablamos de un Crecimiento Nominal Cero: ¿que quiere decir en verdad Crecimiento Nominal Cero? Tratemos de explicarle a aquellos que esperan tanto de esta Organización y de los Estados que la componemos, qué es Crecimiento Nominal Cero. Llamemos las cosas por su nombre: no hay tal Crecimiento Nominal Cero. Hablar de Crecimiento Nominal Cero, es hablar de reducción presupuestaria. Si las diferenciales cambiarias, la capacidad de adquisición y la inflación llevan a determinados índices, sí hablamos de Crecimiento Nominal Cero, es decir mantener exactamente lo mismo. Lo otro es reducir el presupuesto que es lo que ha estado ocurriendo en esta Organización. Creo, entonces, importante evitar una terminología que lleve a equívocos y a engaños. Crecimiento Nominal Cero es no crecimiento, es mentira, es reducción presupuestaria en términos reales. Así que cuando hablemos en terminología real y no eufemística, hablemos de reducir el presupuesto de la FAO. Si vamos a hablar de Crecimiento Nominal Cero, no hay tal porque eso no es cierto, eso es reducción de presupuesto. Cuando hablamos de Crecimiento Real Cero, tampoco es crecimiento alguno. Este crecimiento implica el sostenimiento igual, o sea mantener la capacidad adquisitiva de la Organización, exactamente la misma capacidad. No implica crecimiento alguno. Para hablar de crecimiento, tendríamos que hablar de un incremento presupuestario por encima de diferenciales cambiarias y de inflación, algo que en verdad llevase e mejorar la capacidad adquisitiva y, en consecuencia, operativa de la Organización. Creo importante hacer estas reflexiones conceptuales porque podríamos quedarnos muy tranquilos y satisfechos pensando en un Crecimiento Nominal Cero, creyendo que hay crecimiento cuando éste no es tal, o creer que hemos logrado algo extraordinario con un simple crecimiento real cero que no es más que sostener las cosas con la misma capacidad adquisitiva u operativa, lo cual ya sería importante con respecto a lo que hemos decidido en el pasado.

Guatemala sostiene lo que ha sido su discurso en las últimas conferencias, retomo y tomo las palabras del Señor Vicepresidente de la República, expresadas al inicio de la Conferencia del 2001 sobre aquella Cumbre por la cual no se celebraba la Conferencia y quedaba postergada. Esa Cumbre que vendría a evaluar cinco años después lo acordado por nosotros. Si queremos ser consecuentes con el discurso político, si de verdad estamos interesados en reducir el hambre y la pobreza a los niveles que nos hemos propuesto, debemos hacer que la palabra tenga un eco en la acción. No puede haber divorcio entre fe y vida, dice su Santidad Juan Pablo II "...a los católicos cristianos, a todos los hombres de buena voluntad independientemente de su credo, no puede haber divorcio entre fe y vida...". No puede haber divorcio, en el caso nuestro, entre el discurso político de nuestras Cumbres y finalmente las acciones que tomemos para hacer que ese discurso pueda convertirse en realidad. No es consecuente pretender la reducción del hambre y la pobreza a los niveles que nos hemos propuesto, si sostenemos la reducción presupuestaria engañándonos con la expresión Crecimiento Nominal Cero, cuando en realidad es una reducción de presupuesto; ni siquiera con el alivio de un crecimiento real cero mejoraría la situación, no haría otra cosa que sostener la capacidad adquisitiva y operativa en términos reales pero sin incrementarlas.

Creo que para muchos de nosotros pensar en un crecimiento real, en un presupuesto que tuviese crecimiento, es difícil; implica un incremento en nuestras cuotas. Cuotas que para muchos países son difíciles de pagar y, sin embargo, tenemos que hacer el esfuerzo si queremos ser consecuentes con nuestro discurso. Si queremos ser serios y que no exista ese divorcio entre lo que decimos y lo que hacemos.

Quiero referirme al tema estrictamente monetario. Cuando la Organización realiza gastos en Euros es dentro del porcentaje que ha sido ya señalado, y si no atiende a las diferenciales cambiarias permite que el presupuesto en términos reales quede disminuido. Por otra parte, no es justo que sea la Organización quien corra con los riesgos cambiarios que es producto, muchas veces, del retraso en el pago de las cuotas.

Finalmente, quiero respaldar lo dicho por Cuba sobre lo expresado por Zimbabwe. Quiero hacer una advertencia: Guatemala cree que jamás debe llegarse a votación, puesto que ya tuvimos una experiencia en la votación celebrada entre nosotros con respecto al Fondo propuesto por el Director General. Recuerdo que un colega inmediatamente después de esa votación y refiriéndose a los países más necesitados, que habían sido mayoría en esa votación, me dijo: "se ganó la

votación y se perdió el objetivo". Tiene que haber consenso entre nosotros. Sin lugar a dudas para los Estados Unidos de América, para el Imperio del Japón, para la Unión Europea que son los más grandes contribuyentes, hacer crecer el presupuesto y castigarse con cuotas es, sin dudas, una decisión difícil, como lo es para todos los demás el sacrificio –muchas veces- de los que estamos menos favorecidos económicamente, aunque en términos cuantitativos pareciese menor, puede ser incluso muchísimo mayor que el sacrificio de los grandes.

La solidaridad es imperativa en esta Organización. Solidaridad que debe estar alimentada por el consenso, por el entendimiento entre todos. Hasta aquí las reflexiones de Guatemala respaldando el crecimiento real del presupuesto de esta institución. Quiero separar, también, algo que llama a confusión, porque a veces existen dudas en cuanto a la eficiencia del gasto, a que se podría actuar o no igual o mejor o con menos recursos. Creo que eso pertenece a una temática totalmente distinta y no debe confundirse. Tenemos que hacer esfuerzos por la optimización de los resultados con el más eficiente uso de recursos, por la austeridad de todo aquello que no sea fundamental y esencial para alcanzar nuestros objetivos. Pero no confundamos las discusiones, con igual eficiencia en el gasto, mayor eficiencia habrá cuanto mayor sea el presupuesto.

#### **Eddie AKITA (Ghana)**

We would like to thank the Secretariat for a good job they have done. However, it is likely that the continent of Africa would suffer as a result of the process we are going through. This sentiment has been very well echoed by most African countries. Although we are at a point where, virtually nothing else can be done except to approve this budget, we believe that this chapter on the budget, should remain open as long as possible to enable further discussions.

In fact, Ghana is not in favour of a scenario or a situation that would subtract resources from food programmes. The poverty reduction programmes being orchestrated in our country would eventually suffer, if we pursue this Zero Real Growth scenario. We believe that if this issue is pursued it is likely that Ghana, and for that matter most West African nations may have problems with their programmes back home.

Ghana would want to support Real Growth and therefore, is not in favour of the Zero Real Growth scenario. I believe that we are at a point where nations that are quite strong, should be seen to be supporting weaker nations. Ghana has lived up to its financial obligations. We also believe that if other nations are motivated enough, there is the greatest likelihood that they would also live up to their financial obligations. This would strengthen further the Organization to make it pursue a Real Growth agenda.

#### **Antonio Arturo PLAZA JIMÉNEZ (Chile)**

He escuchado las distintas intervenciones, conceptos como protección de los programas, solidaridad, apreciación *appreciation of the needs*, palabras *versus* acciones, y creo que es muy claro que mi país, al aprobar la posición de crecimiento nominal cero y al no aprobar la asignación en dos monedas, está tratando de apuntar en dirección de tener una Organización más eficiente y de disminuir costos; compartimos plenamente la solidaridad y somos parte de ella; nosotros estamos haciendo un esfuerzo constante y lo venimos haciendo por lo menos durante los últimos treinta años consecutivamente, con programas de cooperación bilaterales en la región, incrementando nuestra acción en programas en Naciones Unidas. Estamos hablando de eficiencia, estamos hablando de dinero, de administración de recursos, de manejo de proyectos. Estamos hablando de, a lo mejor, pensar *out of the box*, estamos hablando de considerar alternativas que permitan a los beneficiarios de la Organización recibir realmente lo que deben recibir, estamos tratando de ver si mejorar el proceso de descentralización permite a la Organización ser más eficiente.

Hay muchas oportunidades en que la Organización, y nos ha pasado a nosotros, ofrece, llega con programas, con TCPs que son muy atractivos. ¿Quién se va a negar a un TCP? A lo mejor la Organización tiene que empezar a preguntar, a hablar con sus clientes, y saber quienes son sus clientes, porque los clientes pueden estar recibiendo un paquete diferente del que ellos quieren. Solamente queremos enfatizar esto: no estamos en contra de la solidaridad, no estamos en contra

de la lucha contra el hambre, por el contrario, hemos sufrido de eso, hemos salido adelante, lentamente lo estamos haciendo, tenemos aún necesidades fuertes en nuestro país y queremos, a pesar de todo, seguir compartiendo con otros países, ayudarlos, pero no queremos una Organización que se engrose y que no sirva para los efectos finales: ayudar a los que realmente deben ayudar.

**Ms Margaret SLETTEVOLD (Observer for Norway)**

The general Norwegian view on the Programme of Work and Budget has been reflected in the Nordic statement earlier this morning. This is just a very short intervention on Major Programme 2.3: Fisheries. Lately, an increasing number of marine species, including fish, have been added to the appendices of the Convention on International Trade in Endangered Species, CITES. Norway attaches great importance to ensuring that such listings are made on a sound, scientific basis, taking into account, among others, the specificities of marine biology and migration patterns. We have therefore, applauded the formalized cooperation which is now in the making between CITES and FAO.

At its meeting last February, the FAO Committee on Fisheries established the terms of reference of an ad hoc expert panel, which is to assess proposals for listing of commercial aquatic species. Since such proposals may be prepared for submission already at the forthcoming CITES Conference of the Parties in October next year, the expert panel should start its work as soon as possible and the necessary funds must be made available for this purpose.

**Mohamed Said Mohamed Ali HARBI (Observer for Sudan) (Original language Arabic)**

We think the Secretariat has been very effective, as the preparation of the documents prove and the preparation of all of the financial aspects and the setting of the priorities too.

We attach great importance to Mr Mehboob's work and to Mr Wade's work and all of their colleagues.

I am a Member of the Programme Committee and I would very much like to thank Mr Blair Hankey's efforts in that Committee. We think that all the developed countries in the Committee: Australia, Canada and the Netherlands have made all efforts to cooperate with representatives of developing countries. Thanks to the presence of the Administration, thanks to all the FAO staff, I think we have been able to obtain some excellent results, all of which are reflected in the Report.

The Field Programmes, well, there is no doubt that this Report will have very positive repercussions on the Field Programmes and setting of criteria as well, clearly nothing should work to the detriment of Field Programmes and to assistance.

Real Growth, tackled by the Director-General. Well, Zero Real Growth could actually impact on the implementation of the Programme and in the Field. We note that many programmes on animal resources notably have suffered because of this and we know that animal resources play a significant part in feeding programmes. Preservation of animal resources and the recognition of its strategic importance play a key role in the reduction of hunger throughout the world. We understand that the commitment and the political will that the Heads of State and Governments demonstrated in the World Food Summit in 1996, and reiterated five years later in 2002, the main objective of which was to fight against hunger, in cutting by half the number of hungry people. Well we believe all of this is extremely important, but we think this is an objective which is becoming ever more distant from us.

We listened to a professor, an Indian lady, who said why fight just to feed 50 percent of hungry people. She said, I would not be happy as a mother to just feed half my children; would I be happy with that? Well, I think that lady spoke with the voice of wisdom, she was a philosopher, an extremely intelligent woman and she hit the nail right on the head, she looked at it from the right angle. Why do we not set ourselves as a target feeding 800 million hungry people, why reduce that objective? Is there a real political will to give food to at least this 50 percent. Wars continue to rage. Natural catastrophes, conflicts, disasters follow on their heels, we have to take all of these into account when we draft programmes for the future.

We think that the efforts the Director-General has made to bring all of the objectives of this Organization to fruition are praiseworthy, the hopes of this Organization are the hopes of developing countries everywhere. The comments made by the Brazilian delegation on Programme 253 for Assistance to Developing Countries, on Agricultural Cooperatives, on Rural Development, in order to obtain sustainable development is very important. We must do everything we can to support these cooperatives and we cannot have any reduction in the budget which is earmarked for this.

Before concluding, let me say that I hope that the Zero Real Growth scenario put forward by the Director-General wins the day because I think it is the only one that makes us capable of achieving our objectives, as we set them. As an alternative, we do not have a problem with adopting Zero Real Growth and there may be some revision to some projects as a result of that.

As far as Zero Nominal Growth is concerned, well I think Zero Nominal Growth would be a real disappointment, because we could only deal with a bare minimum of programmes here. The objectives and the dreams which the Heads of State and Governments made their own at the Summit would simply remain a dead letter. All the efforts made for their implementation will simply not be made.

So let me conclude by quoting what His Excellency the Ambassador of Mali said, the Chairman of the Group of 77, at a recent meeting, that it is necessary to make unstinting efforts to help the Organization attain its objectives in terms of poverty reduction and offering appropriate nutrition and food to all hungry mouths throughout the world.

**Ibrahim Bocar DAGA (Observateur du Mali)**

Depuis hier, nous sommes à l'écoute des nombreuses interventions toutes plus riches les unes que les autres et nous voudrions féliciter le Secrétariat pour la qualité des documents qui nous ont été soumis. Comme d'habitude, c'est un travail de qualité réalisé par des experts compétents et responsables. Le problème qui se pose à moi et à mon pays en particulier est toujours de savoir exactement comment faire pour atteindre des objectifs que l'on se fixe.

Le problème qui se pose à ma modeste personne est de savoir, lorsque nous écoutons ici nos Chefs d'État ou leurs Représentants qui nous donnent des indications, comment les interpréter dans les faits par la suite. À voir certaines positions, on a l'impression que l'on se met en porte à faux par rapport à des instructions ou à des recommandations de Chefs d'État qui se sont par deux fois réunis ici.

Je comprends l'impact d'un accroissement des contributions à tous les pays, comment puis-je ne pas le comprendre, moi qui suis d'un pays qui fait partie des plus démunis de la terre, mais enfin, il faut connaître nos priorités. Nous sommes passés de près de 18 à plus de 30 pour cent aujourd'hui de notre budget dans le secteur rural. C'est un effort que nous faisons en suivant les instructions qui ont été ici retenues de façon consensuelle par l'ensemble des hommes qui gouvernent ce monde. Nous ne pouvons pas aujourd'hui venir nous mettre dans une position contraire, ce n'est pas cohérent.

D'autre part, nous pensons que la FAO est un creuset d'intelligence et de cœur. Je ne pourrais pas mieux intervenir que le Représentant du Guatemala qui a fait appel même à nos convictions religieuses, pour ceux qui en ont, peut-être que beaucoup n'en ont pas mais peu importe, mais qui, avec la sagesse qui le caractérise, nous a montré réellement ce qu'il faut faire et ce que l'on devrait faire. Nous avons ici accepté souvent des positions, et je parle en tant qu'africain, qui ne sont pas forcément nos priorités mais c'est dans un esprit de consensus et dans un aspect de solidarité que nous les avons acceptées. Parce que croyez-moi pour un malien, que la tomate soit bien ronde et bien rouge, que la pomme de terre ait une certaine forme ou certaines normes, ce n'est pas notre souci pourvu que l'on ait de la tomate et de la pomme de terre. Mais tout cela nous l'avons accepté parce qu'il y a un esprit de solidarité qui doit nous guider ici.

Quand maintenant on va nous dire que la FAO qui est cet instrument privilégié de production de nourriture va désavantager des productions, des aspects de production par rapport à des aspects

normatifs, vous comprenez qu'il y a de quoi se sentir frustrés. Nous voulons bien la qualité mais, en ce cas de déficit alimentaire comme c'est le cas aujourd'hui, entre la qualité et la quantité notre choix est fait. Nous préférons d'abord avoir à manger et ensuite qu'un effort soit fait concernant l'amélioration de ce que l'on nous donne à manger. Si on a peur de l'impact sur nos participations, il faut peut-être comparer ce que cela peut rapporter aussi d'avoir un budget conséquent, un budget qui donne à la FAO les moyens de travail pour atteindre les objectifs que nous lui fixons parce que le Secrétariat ne nous impose rien, au contraire c'est nous qui instruisons le Secrétariat pour nous amener ici différents scénarios de progression de notre Organisation.

Nous avons le choix entre être statique, être stable ou alors progresser. Nous avons ici eu des instructions pour lutter contre la faim, on nous a dit combien de gens aujourd'hui ont faim, on nous a dit combien de temps il faudrait peut-être pour éradiquer cela, moi je dirai encore de façon plus brutale qu'il y a deux façons d'atteindre les Objectifs du Millénaire. La première, qui est beaucoup plus radicale, c'est de laisser les gens mourir, comme cela on dira toujours que statiquement parlant on a atteint les objectifs, il y a moins de morts ou alors on se donne les moyens de produire pour que tout le monde puisse suffisamment avoir à manger. Et je crois que c'est cela l'objectif de cette noble Organisation à laquelle vraiment nous sommes fiers d'appartenir. Encore une fois, nous ne pouvons pas être dedans et en dehors, nous pensons que la FAO mérite vraiment d'être aidée, nous pensons que jusque-là la FAO a fait un travail éminemment efficace pourvu qu'on lui en donne les moyens.

Croissance zéro c'est zéro. Une croissance naît que lorsqu'elle est réelle et positive donc il faut éviter les « tautologies ». Nous parlons de Croissance Zéro qu'elle soit nominale ou autre, si elle est zéro elle est zéro. Ce que nous voulons pour cette Organisation, afin qu'elle puisse être efficace, c'est qu'elle ait une croissance réelle. Nous souscrivons donc entièrement aux propositions du Secrétariat pour aller vers une Croissance Réelle. C'est le seul moyen pour nous, nous le pensons, à court ou à moyen terme, d'atteindre les objectifs que nous nous sommes fixés.

#### **LE PRÉSIDENT**

Votre intervention, M. l'Ambassadeur du Mali, conclut notre session de ce matin. Avant que nous nous quittions, je voudrais vous rappeler que le Secrétariat a organisé une séance publique sur la mise en recouvrement fractionnée des contributions. Cette séance, qui permettra de donner de plus en plus d'informations aux délégués, aura lieu dans la Salle verte à 14h30. Après cette réunion, nous reprendrons notre session cet après-midi. Je voudrais par ailleurs signaler que le Président du Groupe européen, la Slovénie, me prie d'annoncer que le Groupe européen se réunira dans la Salle de l'Allemagne à 13h30. On se retrouvera cet après-midi après la séance publique sur les recouvrements fractionnés.

*The meeting rose at 13.07 hours*

*La séance est levée à 13 h 07*

*Se levanta la sesión a las 13.07 horas*





# COUNCIL CONSEIL CONSEJO

**Hundred and Twenty-fifth Session  
Cent vingt-cinquième session  
125º período de sesiones**

**Rome, 26-28 November 2003  
Rome, 26-28 novembre 2003  
Roma, 26-28 de noviembre de 2003**

**FOURTH PLENARY SESSION  
QUATRIÈME SÉANCE PLÉNIÈRE  
CUARTA SESIÓN PLENARIA**

**27 November 2003**

The Fourth Plenary Meeting was opened at 16.30 hours  
Mr Aziz Mekouar,  
Independent Chairman of the Council, presiding

La quatrième séance plénière est ouverte à 16 h 30  
sous la présidence de M. Aziz Mekouar,  
Président indépendant du Conseil

Se abre la cuarta sesión plenaria a las 16.30 horas  
bajo la presidencia del Sr. Aziz Mekouar,  
Presidente Independiente del Consejo

## LE PRÉSIDENT

Mesdames, Messieurs, bonsoir. Nous reprenons nos travaux après de longues consultations qui, j'espère, ont été fructueuses et on va essayer de terminer le plus vite possible afin que le Comité de rédaction puisse commencer son travail.

### III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS

(continued)

### III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION (suite)

### III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS (continuación)

**5. Programme of Work and Budget (PWB) 2004-2005 (C 2003/3), including consideration of *Outline of a Zero Nominal Growth Scenario on the PWB 2004-05* (CL 125/10) (continued)**

**5. Programme de travail et budget 2004-2005 (C 2003/3), y compris examen de l'*incidence du scénario de croissance nominale zéro sur le PTB 2004-2005* (CL 125/10) (suite)**

**5. Programa de Labores y Presupuesto (PLP) para 2004-2005 (C 2003/3), incluido el examen de las *Consecuencias de la hipótesis de crecimiento nominal cero en el PLP para 2004-05* (CL 125/10) (continuación)**

Je voudrais demander au Secrétariat, et donc à M. Wade qui est ici, de répondre aux interventions qui ont eu lieu ce matin. M. Wade vous avez la parole.

#### **Tony WADE (Director, Programme, Budget and Evaluation)**

I would like to start off with talking about the scenarios and take into account what Guatemala said. We have to be careful as we have this concept of Zero Nominal Growth which is being used but actually has more than one meaning now. We are at grave risk of misunderstanding each other when we talk about Zero Nominal Growth. Consequently, I would like to refer to a Reduction Scenario 1 and Reduction Scenario 2.

Reduction Scenario 1 is the scenario that says that the Organization's Programme of Work and Budget would have to absorb cost increases amounting to US\$ 33 million.

Scenario 2 is a reduction scenario which requires one to absorb cost increases of US\$ 33 million and an, as yet, unknown amount for the exchange rate effect, which is US\$ 100.6 million assuming the exchange rate of US\$ 1.15 to the Euro for the moment. Please bear in mind that that exchange rate is changing all the time, so we may have to give you new figures.

In absolute terms, Reduction Scenario 1. The document CL 125/10 The Programme of Work and Budget 2004-2005 Outline of a possible Zero Nominal Growth Scenario. On page two, paragraph 7, we have an explanation of Zero Real Growth or no change in purchasing power. You will see that starts at US\$ 651.8 million, that is the current appropriation that is approved 2002-2003. We add on cost increases of US\$ 33 million. We have added on an exchange rate adjustment US\$ 100.6 million being the effect of the change from US\$ 0.88 to US\$ 1.15 to the Euro. We add those all up together and we get a Zero Real Growth figure of US\$ 785 million. That is one of the scenarios included in the main document and is fully detailed at the lowest programme level.

Reduction Scenario 1 is the US\$ 785.4 million less the US\$ 33 million cost increases as you would be requesting us to absorb US\$ 33 million worth of cost increases and that gives you US\$ 752.4 million. The same figure is quoted in paragraph 12 on page 3, US\$ 752.4 million. This document is describing the effect of absorbing the US\$ 33 million worth of cost increases.

Reduction Scenario 2, which several members have referred to as being their preferred scenario, is the US\$ 785.4 million less the US\$ 33 million and less the US\$ 100.6 million. Consequently, US\$ 651.8 million, the same figure as in the current biennium.

The purpose of going through that was to make sure we are all talking about the same figures.

Concerning Reduction Scenario 2 and some of the questions and comments that came up, I would like us to all understand this means cutting out US\$ 133.6 million from a budget of US\$ 785 million. That is 17 percent. I will repeat some of the figures I gave you yesterday.

If we apply the same techniques as we applied to the document CL 125/10 to this reduction Scenario 2, we would be required to abolish 650 posts from FAO's regular programme. We have a special problem with that because we only have 340 vacancies. So regardless of priorities or any other requests we would have to freeze those vacancies immediately just to stop spending. We would then have to do our best to eliminate a further 310 posts by finding some way of having the incumbents, of those posts, leave the Organization. This would require separation payments, which we envisage, would cost a total of US\$ 29 million.

This would mean cutting US\$ 133 million, plus US\$ 29 million as there is no source of funding for the separation payments. This would mean a total of up to about US\$ 162 million which we would have to find. To do that, if we apply it across all of the programmes and we use all the same priority rules used in CL 125/10, the high priority areas such as IPPC, etc. would receive a cut of about 13.3 percent. Those areas that are not protected would receive a cut of 26.6 percent.

This is all arithmetic; it is nothing to do with reality in a certain sense because we don't even know if it is feasible. To take 26.6 percent out of the Division of Finance would probably put us in a severe internal control weakness situation. That division was recently judged by an external expert as being understaffed. This scenario requires us to remove 26.6 percent of their staff. We will have all sorts of contradictions like that to face.

If you adopt a budget Reduction Scenario 2, the Organization will actually have difficulty living within the Financial Regulations of the Organization. You would be approving a ceiling of US\$ 651.8 million but just with the existing staff we have here we would already exceed that amount of spending. So we will have difficulty cutting back expenditures quickly enough to live within that target.

I have to say that I think it is non-viable, non-feasible, not sensible and for those of you that are saying that we can solve this with efficiency savings, it is just not credible. We have been trying very hard to make efficiency savings in this Organization since 1994.

We have saved up to about US\$ 50 to US\$ 60 million per annum. You realize that this figure is considerably more than that. We would have to do it again; we would have to do it effective the first of January 2004. It just is not possible.

At the same time as proposing Reduction Scenario 2; that, is a budget level of US\$ 651.8 million, the distinguished delegate of Brazil said they could not accept any modifications to programmes that would affect the developing countries. So now we have limitations being put on how we can live with it. I have already explained that I do not think it is possible, but membership now wishes to protect a whole series of programmes.

Australia says it wants us to fully protect IPPC, CODEX, Fisheries and Forestries and Plant Genetic Resources; another group of programmes which are totally protected. Even with this scenario we would have to take 13.3 percent off those programmes.

Japan offered a couple of suggestions, that said maybe we could eliminate those programmes where we are at risk of duplicating other UN Organizations or those where they could be replaced by bilateral arrangements. There is always a possibility that such situations exist. I want to point out that in the new programme model which we used to develop entities under Chapter 2 of the budget, we apply a series of criteria which were developed by the Council in the first instance in 1995. They were developed for budget cuts such as this. Included in those are FAO's comparative advantage in terms of potential synergies through collaboration with partners, track record, avoidance of duplication with the work of other institutions and internal capacity. We have three sub questions under that which every programme entity manger has to ask himself when designing an entity. Those questions intend to concentrate his mind on the idea of specifically

working in areas of FAO's comparative advantage and not working in the areas where other institutions can do just as good a job or better a job.

I believe this works. I do not believe that the opportunity for many savings in this area exists. Of course, we can review, of course we can do better, but please don't think it is going find the magnitude of resources that this scenario seems to imply.

The United States of America and others refer to budgetary discipline. I think I've quoted the figures to you before on spending in the United States of America, spending in Australia, spending in France, spending in Italy. The indexes show that whereas FAO has gone from 100 to 96 since 1993 all OECD countries in their own local currency have gone up and by substantial percentages: 20-30 percent in the same period. So the budgetary discipline that is being applied seems to be restricted to this institution and not necessarily to yourselves to the same degree.

Chile made the point that the Organization should be more efficient. I have to say that it was a little bit objectionable that in making the remark it was implied that there was excessive fat in the Organization, as if we were some big bureaucracy that has a lot of spare time and people are wandering in the corridors doing nothing. I really think that is going too far. I have too many people around me working weekends, and working late at night to accept those sorts of remarks without defending them to some sort of degree.

Now as to efficiency savings, we have tried to explain what we have done. You will find in paragraphs 177-190 of the full document C 2003/3, detailed documentation on savings of US\$ 55 and US\$ 62 million per annum that have been made through our efforts since 1994. I am not saying that we cannot do more and in fact, the document actually says we can do more. The document proposes an approach to try and now find, those more difficult efficiency savings. It was easier in 1994; we could examine inputs and find cheaper ways of acquiring them. Now we have to examine processes and find ways of changing processes or restructuring FAO to reduce costs.

The method we have selected is to say: let us apply what we have applied to the Technical Programmes to the non-Technical Programmes. We have applied the new programme model to the Technical Programmes to take a results based approach to what we are doing. We have indicators which are there to try and measure whether we succeed in achieving, what we intended to achieve, in terms of benefits to beneficiaries.

If we apply that to the administrative or non-Technical Programmes and we combine it with a technique known as "strengths and weaknesses" analysis. We believe that we will find further efficiency savings through improvements in processes, improvements in both their effectiveness, in the timeliness of the production of their services and finally, of course, in their cost.

We are proceeding with the new programme models, which are about to be implemented in the non-technical units. It will take time. The Secretariat has not given up on finding efficiency savings, but it is being realistic in the budget about not budgeting for them before it has found them. This has been done before and we have suffered for it. We have taken savings in the current biennium in the regional offices and found we could not make them in practice. We therefore had to find the funds from elsewhere.

So one has to be careful not to create a situation where the budget is not viable, where the budget is under budgeted.

India asked a question concerning the Technical Cooperation Programme and wanted to be assured that Technical Cooperation Programme funds would not remain unspent at the end of the biennium. The background to that is that when we decentralized from the regional offices to the country offices, the rate of delivery on the Technical Cooperation Programme slowed down rather dramatically. That is now been recovered completely. The delivery rate in 2003 is one of the best we have ever seen. We still have to catch up however and maintain that delivery rate over the coming years. I think that the problem that caused that backlog has since been solved. So I assure

you that there will be no Appropriation for Technical Cooperation Funds left unspent at the end of this biennium.

One of the comments made by the distinguished delegates of Japan in relation to Zero Nominal Growth was to draw the attention of Members to the fact that Zero Real Growth includes an increase of 70 posts. He quite correctly referred that the fact that an increase was for Junior graded professionals to be brought into the Organization bearing in mind the expected future separation of many retirees. The Organization's average age, its demography is aging and so the consequence is that we expect to lose a large number of professionals and senior level staff over the next few years. The idea is to bring in Junior Professionals at P-3, P-2 and P-1 levels to revitalize the stock of capacity from the bottom up. The suggestion from Japan was maybe we should be able to do that within conventional turnover, in other words not add posts but replace as we go along and of course that is true. Our concern, however, is that the we are going to replace such a serious rate of turnover in a short period of time. We really need to bring people in advance so that some of the institutional knowledge will be passed on. So, as a strategy in the Human Resource Action Plan, I think that this is totally defensible. Of course the reality is if reductions scenario two was selected then there would be very great difficulty in implementing this. However, it is certainly a desirable approach from a point of view of maintaining this professional capacity of the institution.

There was a comment from Japan on the proportion of the budget that is spent on staff, 60 percent on Staff or 80 percent on the total of human resources including consultants. This has been raised before in the press and there is a tendency, for the press, to point to the fact that UN Organizations have a lot staff and do not spend money on non-staff resources. I think it is a misunderstanding. These institutions are meant to be providing services and expertise. We are meant to be centers of excellence and you do that by having excellent staff who know the institution and can provide you with those services.

We do not at this stage see the 60 percent level as being incorrect. If members feel that that is wrong maybe the debate should be opened up on that issue.

Japan also expressed concern that the CL 125/10 document Reduction Scenario 1 was calculated against Zero Real Growth and not against the budget for last biennium. Zero Real Growth and the budget for the last biennium in a programme sense are the same of course. The reason for creating Zero Real Growth is that we are always re-correcting the budget to reflect reality. For example, if the posts changed somewhere in that process during the biennium, these are corrected and we recreate the US\$ 651.8 million budget with the latest up-to-date information. Then we start from there to do any further changes. So it is a technique from a budgetary point of view, intended to make sure that each scenario does reflect up-to-date information. Otherwise we would have to repeat all of those base changes in every scenario. If that is not clear I would be happy to spend time with the distinguished delegates showing them what we do.

On the question of consensus and voting on the budget, mentioned by several Members. Just for the record, the budget has to be voted. It is a compulsory vote in the General Regulations of the Organization. However, you should be aware that it has been the established policy of the Director-General to always seek a budget approved by consensus. We have no desire to seek approval of the budget on any other sort, as to do so can only lead to problems in the long run.

Côte d'Ivoire asked why the Secretariat had proposed reductions to Major Programme 2.5 to accommodate the Councils request for strengthening of IPPC, etc. and we were asked the same question in the Programme Committee, as you can imagine .

This may have been a misunderstanding but the Reports of the Programme Committee on the Summary Programme of Work and Budget were very explicit about Major Programmes 2.1 Agriculture; 2.2 , 2.3 and 2.4. On all of those Major Programmes, there was a statement to the effect in the Report that they were to be protected at the absolute level. For example, it said that we should strengthen CODEX but not at the expense of Major Programme 2.2. As CODEX is in Major Programme 2.2, that meant we had to get it from somewhere else. In the case of

Agriculture, it said that we should strengthen IPPC and implied that we should take it out of elsewhere than in Agriculture. For Fisheries and Forestry, we were asked to increase the resources to match the previous budget level.

We were, therefore, left with a situation that there were no technical programmes other than Programme 2.5 on which the Programme Committee was prepared to allow us to make a reduction, so we went to 2.5, not without looking outside the whole of Chapter Two I might say, and we did take some money out of other areas outside Chapter Two, but 2.5 did end up absorbing US\$2.1 million. So that is just by way of explanation. We now have your views on this whole issue and I know there is a lot of concern about the reductions, particularly in the operational areas and in my introduction, I indicated that efforts would be made to address that during implementation.

On the question of cost increases, which the United States of America felt were excessive at 5 percent, can I just draw your attention to the fact that is 5 percent over the biennium. It is 2.84 percent per annum, which is just to give you a feel and this is not a benchmark but it gives you a feel for it, average normal earnings in Italy are expected to move by 2.7 percent in 2004 and 3.3 percent in 2005, so a great part of the base of our costs is likely to see that reflected in our cost increases. There are many other issues coming in this as you can see from the detail on cost increases, but what I am trying to demonstrate is 2.84 percent per annum is not an excessive figure. This data was reviewed by the Finance Committee and they have confirmed, as did your member, that they have agreed with the assumptions used the calculations applied.

I think that the only other question would be better answered by the Assistant Director-General responsible for Fisheries. If I have missed anything I would be more than happy to come back.

**Ichiro NOMURA (Assistant Director-General, Fisheries Department)**

I understand that the delegation of Norway commented on the specific issue out of the planned cooperation of Fisheries Department of FAO with the Secretariat of CITES that is the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Since CITES is a specific issue, I thought I should come here and explain, not only to the Delegation of Norway, but to others. Firstly, I would like to express on behalf of our Department, the appreciation of Norway, as well as Japan and United States for the support of our increased cooperation with CITES. In particular, thanks to Norway's extra contribution we seem to be able to hold two Expert Consultations on this subject as agreed at the last Committee on Fisheries.

The particular comment from Norway concerns the Expert Panel, if I understand correctly, not Expert Consultation. The Expert Panel, the terms of reference in our future cooperative work with CITES was adopted by the Committee on Fisheries this year that is probably why the Norwegian delegation specifically asked how we were undertaking that activity.

However, the Committee on Fisheries this year did not give us a clear instruction as to how our Department should proceed in this area without an agreement or Memorandum of Understanding (MOU) between the two Organizations, although the Terms of Reference of the Expert Panel, which was adopted by COFI, was not directly linked to the MOU which is yet to be agreed.

At this juncture, the Fisheries Department has not undertaken any substantive activities relating to the Expert Panel. We expect that the Committee on Fisheries' Subcommittee on Fish Trade, which takes place in February next year, will discuss this issue, including how this could be funded.

I would like to stress at this time, that in light of the very severe budget situation the Fisheries Department is unlikely to be able to fund that activity of the Expert Panel as agreed at the last COFI, from regular budget resources. We will have to rely on extra-budgetary resources if we were to be requested to fulfill the Terms of Reference of the Panel as agreed by the Committee on Fisheries.

I hope that my explanation clarifies the situation.

**LE PRÉSIDENT**

Je voudrais savoir s'il y a des délégations qui souhaitent prendre la parole?

**Ahmed Suleiman AL-AQUIL (Saudi Arabia) (Original language Arabic)**

We have asked for the floor in order to air our views concerning the level of the budget under Programme of Work and Budget. There is an international consensus on the need to increase the financial resources in the field of economic and agricultural development. Various international conferences confirmed this need, the latest of these meetings was the World Food Summit and many Member Nations within the United Nations have endorsed such a trend, and this through the increase of their contributions to IFAD for example, an increase of more than 25 percent of the resources of the Sixth Replenishment of Resources of IFAD, which took place recently.

There is also a trend to increase the financial resources of the WFP, so we are wondering here why is FAO being deprived of these financial resources. During the last decade, FAO did react positively to the demands to decrease its financial resources upon the request of certain Member Nations. Indeed as of 1994, the Organization has started decreasing its budget levels in terms of real or nominal terms, and now it is high time that we put an end to this decline in its financial resources. It is high time to look in a serious manner into the possibility of a positive budget growth. We believe that the Real Growth scenario which is proposed here, is a good starting point which has been supported by a number of Member Nations so far and my delegation would like to endorse such a Real Growth scenario, or at least let us accept the worst scenario namely, the Zero Real Growth, because any other possibility is not realistic to our minds.

Recently this Organization prepared a Report which confirms that the number of hungry people in the world has increased again instead of witnessing a decrease, as was expected from the statement in the Plan of Action of the World Food Summit back in 1996, and also during the World Food Summit: *five years later* in the year 2001. This Report stated that the number of hungry people in the world are basically women and children and this Report is very important, its content is quite embarrassing and alarming. This Report has been talked about by a number of world mass media and this morning on RAI Uno, it was stated by Ms Eva Clayton from FAO, that this is the trend and Al-Jazeera Network has also covered this issue in an expanded way, the Arabia Arab Network, covered this issue broadly and, therefore, I do believe that the facts are clear and we have strong evidence which should make us examine in a serious manner, the possibility of increasing the resources of this Organization in a way which is in line with the requirements of the coming decade.

**LE PRÉSIDENT**

J'aimerais savoir s'il y a des délégations qui souhaiteraient prendre la parole?

**Ali RASHAD (Egypt) (Original language Arabic)**

I would like to thank the Secretariat for the noble efforts put into preparing this session which are aimed at developing agriculture which is a source of life of many people on this earth.

On behalf of my delegation, since Egypt is representing the Near East countries, I do agree with what has been said by the honourable delegate of the Kingdom of Saudi Arabia. I agree with him that we should adopt the Real Growth for the budget, because this will help achieve the objectives like combating poverty and achieving food security and, of course, this is the role FAO is asked to undertake. Many countries look forward to this FAO and especially the people in the near East Group, because they need an increase in the resources in order to implement their projects and programmes and, of course, they suffer from shortages and lack of food security because of man-made disasters and from natural disasters as well.

**Mohammad Saeid NOORI-NAEINI (Iran, Islamic Republic of)**

I, for some special reasons, did not ask the floor before, but now that I have listened to the answers provided by the Secretariat, I decided to speak up.

I think that the number of points raised by distinguished delegates during the whole debate are very interesting. Many of them very innovative and worth considering, but the answers provided by the Secretariat were quite convincing. I understand that the points which were raised, we thought they deserved answers, received a convincing answer in our point of view.

The only point which was not mentioned was that some countries mentioned that the reason that they are opposing the level of Zero Real Growth budget is the tight financial situation in their countries.

Considering this reason, I want to say that here in the Council, we are not sitting only to defend our national interests. Of course, every country is a sovereign country and its representatives are welcome to do that. However, let us remember that the leaders of our countries have twice gathered here in Rome to promise to do many things. One of them halving the number of hunger and malnourished people by 2015. In the World Food Summit: *five years later*, FAO said that we cannot reach that goal and the reason is that we are lacking political will and the resources, and the leaders came here to again reiterate the political will and provision of the resources. Again all of our high officials in the United Nations in the Millennium Development Goal had again reiterated that.

Adding to that, we are not sitting here as just members, the members of Council have been elected by the whole membership of FAO to sit in the Council and defend the interests of the Organization and not only consider the situation in their countries, so we do have collective responsibilities here to look at that and to look after that.

Considering that it is not really a valid reason to say it is because we are in a tight financial situation that we are not paying the least and minimum amount which has been calculated on a very sound basis by the Secretariat for doing what we have repeatedly announced that we are going to do. With these feelings of collective responsibility, I appeal to all countries, understanding the difficulties which exist in most of the countries at present, please to consider that we are here to provide food for millions of people, at least 200 million children do not know when the next meal will come. So think about that and, with a bit of pressure on our budgets, I think we can provide the amount which has been requested by the Secretariat, at least equal to the Zero Real Growth.

I have calculated some figures for some countries, I am not going to mention the names, but a Zero Real Growth assessed contribution, for some countries it will not be provided, it takes only 61cents per capita, in other cases only 3cents per capita, if they provide that the whole ZRG requested by FAO would be financed.

In another calculation, the number of working minutes per capita to pay FAO contribution in most of the cases, in the richest countries, is less than two minutes *per capita*. If we ask the population of that country, "are you ready to work two more minutes and just finance the ZRG", definitely the answer would be a big yes, so I think we are in a position to say a yes to FAO request.

## **LE PRÉSIDENT**

Y-a-t'il d'autres délégations qui souhaiteraient prendre la parole? Nous avons débattu longuement sur ce Point 5 de l'ordre du jour. Il y a des avis divergents et manifestement il n'y a malheureusement pas de consensus et cela sera reporté dans le Rapport.

8.3 *Split Assessments* (continued)

8.3 *Recouvrement fractionné des contributions* (suite)

8.3 *Asignaci. n de cuotas* (continuación)

## **LE PRÉSIDENT**

Je voudrais quand même revenir sur la question du recouvrement fractionné. Il y a des explications qui ont peut-être clarifié les choses cet après-midi car il me semble qu'il y avait énormément de confusion et que l'on ne comprenait pas très bien quel en était le sens et ce que ce recouvrement fractionné impliquait pour chacun des pays.



Dans les consultations que j'ai pu avoir avec certains groupes régionaux, ces derniers ont estimé qu'il serait utile de créer un comité *ad hoc* composé de représentants de différentes régions pour discuter de cela et pour raffiner peut-être notre perception de cette question. Ce comité *ad hoc* pourrait éventuellement être créé rapidement pour travailler peut-être demain et revenir avec des conclusions sinon il pourrait poursuivre ses travaux pendant la Conférence. Si vous êtes d'accord nous pourrions créer ce comité et je suggérerais que chaque région de la pêche nomme trois membres pour ce comité. Ceci est une suggestion et je souhaiterais savoir si elle obtient votre approbation.

Ce comité travaillera et bien sûr le Secrétariat sera à sa disposition pour fournir des précisions ou des éclaircissements ou peut-être faire des calculs que chacun de nous ne peut faire et je suggère donc que ce comité se réunisse à partir de demain matin. Cela nous aidera peut-être plus tard en ce qui concerne le budget.

Demain matin on pourrait commencer vers 10 heures à la Salle de la Malaisie.

**Flávio MIRAGAIA PERRI (Brazil)**

We have just had that very useful discussion or explanation by the Secretariat on the Split Assessment proposal. It was useful in the way that it allowed, at least to myself, to talk with the Director of the Office of Programme, Budget and Evaluation and to consider him to prepare something which will be very useful for the work you are proposing now for this special group. The work, we understood that it could be possible for him to prepare perhaps, almost immediately - perhaps for tomorrow - was to know, firstly, the effect on each country of this Split Assessment proposal if such country pays his contribution on time. Secondly, how the Split Assessment proposal would apply to presently existing arrears. Thirdly, what will happen to contributions which are not paid on time after the adoption of the Split Assessment proposal and what will happen with future arrears under the application of the proposal.

I think it would be very important for us to talk with our Finance Ministers regarding an answer on those three questions

**LE PRÉSIDENT**

Je suis sûr M. l'Ambassadeur du Brésil que cela sera très utile.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Me parece una muy buena idea poder seguir conversando, pero tal como manifestamos el día de ayer, necesitaríamos que la Secretaría proporcione información precisa con respecto al impacto a nivel de la Organización y a nivel de los países. Tiene que ser un sistema que implique el mismo esfuerzo para ambas partes, no que caiga solamente en los Miembros. Estimo que sería una buena alternativa que la Secretaría, aprovechando el análisis de este tipo de números, pueda también proveer un sistema alternativo en base voluntaria para ser aplicado a partir del bienio 2006-2007.

**Mohammad Saeid NOORI-NAEINI (Iran, Islamic Republic of)**

I think the proposal made by the Ambassador of Brazil is a very useful proposal. I would like to add another question to that.

What would be the probable benefits to the Member Nations of the Organization if they adopt this Split Assessment?

**Noel D. DE LUNA (Philippines)**

Apart from supporting the proposals made by the Distinguished Ambassadors of Brazil and Iran, I would also like to ask the Secretariat if it is possible for them to make a sensitivity analysis of every cent decrease or increase of the United States dollar against the euro, how much impact will it make on the budget?

## LE PRÉSIDENT

Nous avons ici des propositions, non seulement des propositions mais des demandes formulées par certains de nos honorables membres et je voudrais savoir si M. Wade peut préparer tout cela pour demain matin à 10 heures? En principe, réunion à la salle de Malaisie à 10 heures du matin pour les représentants des différentes régions pour parler et discuter de cette question avec, nous l'espérons, des précisions que nous avons demandées à M. Wade.

*8.2 Methodology for Equitable Geographic Distribution (continued)*

*8.2 Representation géographique équitable (suite)*

*8.2 Metodología para la determinación de una distribución geográfica equitativa (continuación)*

Je voudrais revenir au Point 8.2 Méthodologie pour une représentation géographique équitable. Nous avons dit hier que nous allions créer un groupe de travail et ce matin dans une réunion des présidents des groupes régionaux nous avons donc convenu de créer ce groupe de travail. Je suggère là-aussi que trois membres par région participent à ce groupe de travail.

### **Ms Anna BLEFARI MELAZZI (Italy)**

Yesterday in reading a statement of the European Union on the Finance Committee meeting, I also stated our position on this very important issue of introduction of a new methodology on Equitable Geographic Representation, and I just had in mind that in our opinion, a more thorough evaluation of this matter is indeed necessary with a view to clearly understanding the exact implications that each of the three possible options of the new Methodology entails. The Finance Committee was unable to pronounce itself so there was no unanimity on which of the options would be better to introduce and we would like to know the implications of each of the three options on the work of the Organization.

In my opinion, after your consultation with the regional groups today, I think it is important also to decide on what is the mandate of the Group that is being established. In our opinion, after a very quick consultation with some of the members of the European Union - I did not have the chance to consult with all the Members of the European Union - but according to a quick consultation with some of them, what this group can do is to establish the terms of reference on which the group would have to work for the coming weeks. I do not think that we can come to a conclusion by the end of the Conference or by the Council which will meet on 11 December.

I think we have to work also on the time frame by which the Group has to come to a solution and really, rationally we have to see as a deadline the next Council, the Council of next June.

In my opinion, the issue is too complex to hope that the Group can come to a conclusion of the examination of the issue, the three options and their implications by the end of next week. It is important to come to the establishment of the Terms of Reference for the work of the Group.

## LE PRÉSIDENT

Excusez-moi Mme l'Ambassadeur, est-ce que vous avez fait une suggestion quant au mandat de ce groupe, Pourriez-vous la répéter?

### **Mme Anna BLEFARI MELAZZI (Italie)**

La question que j'ai posée est de savoir quel est le mandat de ce Groupe. Comme hier on n'avait pas discuté très longuement de ce problème et que vous avez aujourd'hui consulté les groupes régionaux et n'ayant pas eu beaucoup de temps pour examiner ces problèmes étant donné leur importance, vu la discussion et l'étude qui feront l'objet d'une consultation de notre part en ce qui concerne le budget, le "split assessment" (recouvrement fractionné), je crois que nous devons clarifier les idées sur le mandat de ce Groupe.

A mon avis, comme déléguée italienne et n'ayant pas la possibilité de consulter les autres Membres de l'Union européenne, je crois que ce groupe pourra avoir dans dix jours le temps seulement d'établir les termes de référence de son travail pour le mois prochain, c'est-à-dire, je

crois que le groupe pourra achever ses travaux pour la prochaine session du Conseil et non pas pour la session suivante du Conseil qui se tiendra à la fin de la Conférence. La semaine prochaine sera vraiment très chargée par des travaux très importants de la Conférence, du budget, de la Commission et je ne crois pas que l'on aura le temps pour se pencher avec la profondeur requise sur un problème dont les implications sont très importantes pour les Membres de l'Organisation.

**Govindan NAIR (India)**

We welcome the establishment of this Working Group and I concur with the Distinguished Delegate of Italy that it is important to establish a time frame. However, I disagree with her in that we need an extended time frame.

As we said yesterday, it does no credit to FAO to persist with this outdated methodology that prevails in the Organization. The sooner we get rid of it and the sooner we bring in the more equitable system, the better. To say now that there is inadequate time and that we need another two years to devise a new methodology is totally unacceptable to us. We have already discussed it at one Council; there have been several sessions when the Finance Committee has discussed the issue. The Finance Committee has called for additional information which has been provided and now to say that we need to establish a working group simply to develop terms of reference is, I think, if I may say so, absurd. We need to work on this now. We need to, if possible, work on it during the next few days and I am sure it is not a task that is beyond us. We have established an *ad hoc* Working Group with regard to Split Assessments and which, I think, is a more intractable subject. We expect to come to some sort of conclusion on this in the next few days. I do not see why we should not come to a conclusion on the matter of Equitable Geographic Distribution.

I disagree with the idea that this should be stretched out over several months, several years, with repeated meetings. We need to come to a decision as soon as possible.

**Brett HUGHES (Australia)**

When this item came up during the Session we certainly did not oppose the establishment of a Working Group on this; this is an area which we understand is of concern to a range of Members. However, it was certainly not our understanding that such a group would be established during this Session and concluding its business during this Session. This is certainly an area that we see that would require considerable assessment and further work and certainly while we can agree to its establishment here we think that it needs the appropriate amount of time to conduct its business and that would not be a conclusion in this Session.

**Noel D. DE LUNA (Philippines)**

Just a short word to extend my support to the delegate of India.

**Ms Ryuko INOUE (Japan)**

Japan also worries about the comments made by India and the Philippines. As a member of the Finance Committee we have discussed so many issues regarding the methodology for the determination of the Equitable Geographical Distribution at two Finance Committee Sessions so already the issue is clearer than before, so as to establish the working group as soon as possible. It is possible and indispensable, so I totally agree with the comment made by India.

What kind of issues we will discuss is also to be discussed under the working group itself so it is possible for the working group to decide such kinds of issues. From this point of view it is not too early to establish the working group itself.

**Mme Koung A. BESSIKÉ (Cameroun)**

Le Cameroun intervient pour soutenir la position de l'Inde. Cette question mérite d'être examinée ici de toute urgence, compte-tenu de son importance et du fait que nous sommes tous là. Il est très important que nous soyons en mesure d'examiner cette question dans tous ses contours et que nous prenions une décision lors de la prochaine session du Conseil.

**LE PRÉSIDENT**

Y a-t-il d'autres délégations qui souhaiteraient prendre la parole?

J'ai une solution à vous proposer. Je propose que le Groupe se réunisse maintenant, enfin à partir de demain. Il avancera dans ses travaux, il analysera les documents qui sont déjà sur la table, les documents du Comité financier, avec toutes les informations que nous avons déjà. Et il pourra nous faire un rapport à la prochaine session du Conseil.

**Flávio MIRAGAIA PERRI (Brazil)**

It is only a matter of clarification. I am not sure what we are going to discuss in this Working Group. Is it split assessment or geographical distribution?

**LE PRÉSIDENT**

M. l'Ambassadeur du Brésil, nous avons constitué un groupe *ad hoc* pour le recouvrement fractionné. Et cela c'est une chose.

Plusieurs délégations ont suggéré hier que l'on constitue un groupe de travail pour étudier une distribution géographique équitable. Mais j'ai bien précisé que je revenais au point 8 de l'Ordre du jour avant d'aborder la question de ce groupe.

Je reviens à ce que je disais: je suggère que ce groupe se réunisse. Mais je vais passer la parole à la Chine avant de conclure.

**GUO HANDI (China) (Original language Chinese)**

The Chinese delegation has listened carefully to the statements made by various delegations on this item, that is, on the determination of Equitable Geographical Distribution. We would like to express our support to the proposal by India that is, we should establish the Working Group as soon as possible.

Once again, we would like to express our thanks to the Secretariat for preparing the document CL 124/15-Add.1. In this document the clear descriptions, explanations have been made on this issue. Therefore, we believe that the proposals made by the Secretariat, especially in terms of assessment, composition, populations, as well as the post weighted measures, that is to say Option No. 2, reflect to a greater degree on the principle of general universality and the question of equity. We hope that the current Session will positively consider the Secretariat's document.

**Gabriel G. LOMBIN (Nigeria)**

Our delegation is supporting the position taken by India. We wish to observe that the document presented by the Secretariat does give some indication of work done by the Finance Committee. The Finance Committee is a committee of this Council. If they have taken some steps, I believe we should move from there, rather than creating the impression of starting from scratch. I mean, reducing it to some scenarios has been mentioned and some preference is being shown towards this.

My delegation is of the view that based on the papers presented by the Finance Committee we should be able to complete this exercise within this Conference Session. The Committee of Council has already given us some guidance. I think we should leave it at that and come to a conclusion.

**Dhanasena HETTIARACHCHI (Sri Lanka)**

Sri Lanka agrees with the sentiments expressed by India and supports the Indian position.

**Ms Barbara EKWALL (Switzerland)**

Switzerland fully supports the statement made by Italy on behalf of the European Union.

**Ambroise N. OUEDRAOGO (Burkina Faso)**

Nous allons être très brefs. Nous estimons qu'il y a une base de travail et cette base de travail devrait nous permettre de gagner du temps. Nous pensons aussi que la mise en place de groupes de travail est intéressante mais qu'il faudrait abrégier leurs interventions pour permettre à tous ceux qui sont là d'avoir une idée des résultats des travaux. N'oublions pas non plus que tout cela coûte à notre Organisation. Aussi j'appuie fermement la proposition de l'Inde et du Nigéria.

**Ali RASHAD (Egypt) (Original language Arabic)**

We wholeheartedly support setting up such a Working Group. We hope that the group can conclude its work over the next ten days. So we are alongside India and China on this, and we would be delighted to take part in this Working Group.

**George P. MBONDE (Tanzania, United Republic of)**

With reference to the Working Group, we would like to support the views given by India and Nigeria.

**Richard W. BEHREND (United States of America)**

I would like to call to the Council's attention, paragraph 87 of the Report of the Finance Committee, in which it was agreed that there was a need to redress the under representation of certain Member States, and that the Secretariat was requested to report to the Committee at its next Session, regarding further concrete efforts to be undertaken on this matter.

I just want to be sure that this agreement in the Finance Committee is not superseded by the setting up of a Working Group, and that the Working Group does not in any way supersede what is already agreed in the Finance Committee with respect to under representation and a need to report on under representation.

**David MFOTE (Zimbabwe)**

We would like to show our support with the idea suggested by India and Nigeria.

**Bandar Ben Abdel Moshin AL SHALHOOB (Saudi Arabia) (Original language Arabic)**

We sustain all those delegations supporting India on this point.

**Ibrahim Bocar DAGA (Observateur du Mali)**

Je voudrais juste m'associer à la majorité qui se dégage à savoir qu'il faudrait peut-être que nous soyons enfin à la recherche d'une certaine efficacité. Nous mettons le Secrétariat à contribution pour nous présenter des travaux, on nous amène des rapports, nous les examinons et ensuite nous mettons en place un groupe de travail. Je voudrais dire simplement que trop de démocratisation tue la démocratie et qu'il faudrait à un moment donné qu'on sache prendre des décisions. Si, à chaque occasion, nous créons un groupe de travail, nous allons vraiment vers ce qu'il y a de plus bureaucratique: toujours des groupes de travail. Nous pensons que le problème est clair, il est sérieux, il est important. Et si nous continuons ainsi il y a des pays qui ne figureront plus à la FAO. Si on ne paie pas sa place, on finira par ne plus être présents. Ce problème est suffisamment important pour l'Institution. Les intelligences se trouvent un peu partout. Il faudrait peut-être qu'il soit enfin véritablement examiné au cours de ces assises pour ne pas avoir encore à remettre cela. On sait très bien que quand on donne un délai non contrôlé à un groupe de travail cela veut dire que l'on tue le problème que l'on pose. Notre souci est de prendre une décision le plus rapidement possible et donc que l'instance souveraine qui est la Conférence, ou le Conseil à la fin, puisse examiner et prendre position sur ce problème.

**Blair HANKEY (Canada)**

I understand that the Council is sovereign in the matter, but you will recall that the Regional Chairs met under your chairmanship this morning. We discussed this matter, and the Regional Chairs agreed to set up a Working Group that would meet inter-sessionally and report back to the

next Council. In reference to that, I understood, not to be to the post-Conference Council but the spring Council. I am not sure—there was no written record of that—but I would support Italy on this point. I really believe that the appropriate fora for this debate should be the Working Group.

### **LE PRÉSIDENT**

Ce que vient de dire M. le Représentant du Canada était ma proposition de tout à l'heure. C'était de vous réunir et de voir dans quelle mesure on peut avancer en tenant compte de tous les documents que nous avons à notre disposition et qui ont été étudiés par le Comité financier. C'est d'ailleurs le Comité financier qui avait suggéré la création de ce groupe de travail. Je crois qu'on peut se réunir, comme vient de le dire M. le Délégué du Canada. Si on se met d'accord demain après-midi, on pourra le présenter à la Conférence après-demain. Est-ce que nous sommes d'accord?

### **Mme Anna BLEFARI MELAZZI (Italie)**

Je voudrais vous adresser une prière. Ne créez plus d'autres groupes de travail. Sinon, je n'aurais plus d'États Membres à consulter, on ne pourra plus avancer dans nos travaux. Je plaisante naturellement. Mais j'espère que nos travaux de ce soir vont s'achever très tôt et que nous aurons des pièces où nous pourrions nous réunir parce que je dois consulter les Membres de l'Union européenne, autrement le Groupe ne pourra pas se réunir demain matin à 10 heures.

### **Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Solamente para apoyar la moción que hizo Italia. Nosotros necesitamos reunirnos también, porque además el Grupo de América Latina y el Caribe no tiene delegaciones suficientemente numerosas, entonces es necesario compartírnos y dividirnos, por lo cual será difícil. De todas maneras cuando termine esta reunión deberíamos reunirnos para determinar la mejor distribución.

### **Ibrahim Bocar DAGA (Observateur du Mali)**

Je voudrais simplement dire, Monsieur le Président, qu'entre ce qu'a dit le Canada et ce que vous avez dit, j'ai une double compréhension. Entre dire à un Groupe de travail "Faites-nous un travail dans tel délai" et dire à ce même Groupe de travail "Réunissez-vous, regardez si vous pouvez le faire dans un certain délai", ce sont deux choses très différentes. Ce que nous disons c'est que nous voudrions que ce Groupe de travail nous rende compte à une date que nous lui fixerions. Mais si nous leur disons simplement "Regardez si vous pouvez nous rendre compte", c'est ce que j'appelle un délai infini. Je crois que ce sont deux positions différentes. Monsieur le Président, je voudrais savoir quelle est celle que vous retenez après la discussion que nous venons d'avoir.

### **Govindan NAIR (India)**

I agree entirely with what the distinguished Ambassador of Mali has just said, that if the time frame is left open ended; we could go on for years. It is always possible to ask for additional information, to ask the Secretariat to conduct more exercises, to do sensitivity analyses and so on. We would never come to a conclusion at this rate.

I would request you to lay down a time frame, let the Working Group report to Conference in a week, if it is able to. If this is not possible, well let us see how it goes from there.

### **LE PRÉSIDENT**

Le Groupe de travail va se réunir et va donc avancer ses travaux. Il pourra faire rapport à la Conférence de l'état d'avancement de ses travaux. À ce moment-là, nous déciderons du travail à faire. Si le Groupe de travail a suffisamment avancé, nous pourrions prendre une décision à la Conférence. Sinon, nous déciderons ce que fera ce Groupe de travail au-delà de la Conférence. Si vous êtes d'accord, le Groupe de travail pourra rendre compte à la Conférence de l'état d'avancement de ses travaux d'ici à la fin de la Conférence. Est-ce que cela vous agréé? La réunion pour la représentation géographique aura lieu dans la Salle du Liban, demain à 14 heures. Nous allons passer au point suivant de l'ordre du jour. Monsieur le délégué du Chili, au nom du GRULAC voudrait nous faire quelques communications.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

En la mañana se nos había preguntado sobre los temas 4.2 y 4.3 que hacen referencia respectivamente a la Vicepresidencia de la Conferencia y a la composición del Comité General. En el caso de la Vicepresidencia de la Conferencia, el representante del GRULAC será el Vicepresidente de Guatemala, y el Comité General estará en manos de la representación de Costa Rica.

**LE PRÉSIDENT**

Je crois que le Secrétariat a bien pris note. Nous allons passer au point 11 de l'Ordre du jour intitulé "Calendrier révisé 2003-2004 des sessions des organes directeurs et des autres réunions principales de la FAO". Le calendrier qui se trouve dans le document CL 125/INF/8 indique les sessions déjà tenues en 2003 ainsi que les sessions prévues pour 2004.

**V. OTHER MATTERS****V. QUESTIONS DIVERSES****V. OTROS ASUNTOS****11. Revised Calendar of FAO Governing Bodies and other Main Sessions 2003-2004**

(CL 125/INF/8)

**11. Calendrier révisé des sessions des organes directeurs et des autres réunions principales de la FAO 2003-2004 (CL 125/INF/8)****11. Calendario revisado para 2003-2004 de los períodos de sesiones de los órganos rectores y de otras reuniones importantes de la FAO (CL 125/INF/8)**

Y-a-t-il des commentaires sur ce point de l'ordre du jour? Pas de commentaires.

Ayant examiné le calendrier contenu dans le document CL 125/INF/8, le Conseil note que sa prochaine session se tiendra le 11 décembre 2003 immédiatement après la 32ème session de la Conférence.

Nous allons maintenant passer au point 10 de l'Ordre du jour et au sous-point 10.2: "Demandes d'admission à la qualité de Membre de l'Organisation". Le document pertinent porte la référence C 2003/10-Rev.1. Le Conseil a déjà été informé lors de ses précédentes sessions des demandes d'admission à la qualité de Membre de l'Organisation de la Micronésie, de Timor-Leste et de Tuvalu. Le Directeur général a également reçu une demande officielle d'admission de l'Ukraine. Nous prenons acte de cette demande et la transmettons à la Conférence. Y-a-t-il des commentaires à ce sujet? Non. Merci.

**IV. CONSTITUTIONAL AND LEGAL MATTERS (continued)****IV. QUESTIONS CONSTITUTIONNELLES ET JURIDIQUES (suite)****IV. ASUNTOS CONSTITUCIONALES Y JURÍDICOS (continuación)****10. Other Constitutional and Legal Matters****10. Autres questions constitutionnelles et juridiques****10. Otros asuntos constitucionales y jurídicos**

*10.2 Applications for Membership in the Organization (C 2003/10)*

*10.2 Demandes d'admission à la qualité de Membre de l'Organisation (C 2003/10)*

*10.2 Solicitudes de ingreso en la Organización (C 2003/10)*

Nous passons maintenant au sous-point 10.3 qui concerne la "Composition du Comité financier". Ce sous-point a été inscrit à l'ordre du jour sur proposition de l'Indonésie, du Japon, des Philippines, du Sri Lanka et de la Thaïlande au nom du Groupe Asie de la FAO. Les documents pertinents portent la référence CL 125/1-Add. 1 et CL 125/INF/20.

J'invite M. le délégué de l'Inde à présenter ce point.

**Govindan NAIR (India)**

I take the floor on behalf of the Chair of the Asia Group, Malaysia who could not stay on now to introduce the subject.

On behalf of the Asia Group, permit me to introduce to the meeting the sub-item 10.3, Composition of the Finance Committee of Document CL 125/INF/20. I would like to call Members attention to the Report of the Hundred and Twenty-fourth Session of the Council, in which the Council noted that the Asian Regional Group could continue to hold consultations with other Regional Groups if necessary, to further address the issue. Following this decision, the Asia Group held consultations among its Members and together has developed a new proposal taking into consideration the deliberations that took place during the Council's session. Let me stress here, that the new proposal is indeed a very simple one with minimum changes, very reasonable and above all, it does not have any negative implications for other regions. It is based on these principles, that the Asia Group formulated the new proposal. The Genesis of the issue is that the Asia Group, is underrepresented in the Finance Committee. As Members are fully aware, the Asian Region has rather unique characteristics that pose great difficulty whenever it tries to practice equal and fair representation of its Members in FAO committees, allow me to elaborate a little on these characteristics.

The Asian Region comprises of a combination of two developed countries and 20 developing countries, the two developed countries are major contributors to FAO's regular and extra-budgetary resources with one of them being the second largest contributor. The region also accounts for close to 60 percent of the world's population with many in the region having the highest incidence of poverty and undernourished people. These are facts that have put the Asian Group in a dilemma whenever it has had to select its representatives for nomination to FAO committees, especially so in the Finance Committee.

Currently the Group is allocated only one permanent seat in the Finance Committee, one other seat is shared on a rotational basis with the region of Latin America and the Caribbean. With only one permanent seat, we have to face the fact that there might be times when the developing countries of Asia will not be represented at all in the Finance Committee. This would mean that there will be times when the world's most populous region, with some of the greatest needs in developmental terms, will be unrepresented. This would indeed be very unfortunate, I am sure the Finance Committee will benefit very much if the developing countries of Asia are represented in the Finance Committee on a permanent basis.

The proposal that the Asia Group has placed before you today, is a very simple one. We are proposing an increase in the representation in the Finance Committee from the present nine seats to eleven seats the same number as in the Programme Committee. The additional two seats will be distributed as follows; an increase of one seat from six to seven seats for the four regions of Africa, Asia and the Pacific, Latin America and the Caribbean and the Near East, and an increase of one seat, that is from three to four, for the three regions of Europe, North America and the South-west Pacific. It is expected that this enlargement of the Finance Committee will enable the Asia Group to secure two permanent seats in the Finance Committee.

With this brief introduction, I would like to appeal to all Members of the Council to support the proposal of the Asia Group and to facilitate its implementation as soon as possible. We therefore submit the proposal for the Council's consideration.

**LE PRÉSIDENT**

Merci M. le délégué de l'Inde. Je voudrais simplement spécifier ce que vous souhaitez, c'est l'amendement tel qu'il est porté sur le document CL 125/INF/20, est-ce cela?

C'est cela, très bien.

M. Pucci, est-ce que vous voulez faire des observations?



Non.

Est-ce qu'il y aurait des commentaires sur cette proposition?

Oui, Mme la délégué de l'Italie.

**Ms Anna BLEFARI MELAZZI (Italy)**

I am speaking on behalf of the European Union and its 15 Member States, the ten acceding countries to the European Union associate themselves to this statement. We recognize the importance of having Governing Bodies' structures which fairly represent the current regional composition of the Membership. We think the proposal made by the Asia Group is worth studying, we would have preferred more time to discuss it, however, after hearing the Legal Service advice on this procedure, the European Union will join the consensus decision if the rest of the Membership so desires.

**Brett HUGHES (Australia)**

We wish to acknowledge the efforts of the Asia Group in bringing this revised proposal for changes to the composition of the Finance Committee. We would also at the outset wish to say that we fully understand the difficulties of the Asia Group regarding representation on the Finance Committee and we always have understood this problem. The proposal put forward would appear to address the Asia Group's concerns in a way that it does not disadvantage other members. In fact we think that the proposal will improve member representation and the overall governance framework.

We would add that in agreeing to these changes, we would see them as a once off change that will solve the long term problems of the Asia Group. With this understanding, we could agree to the proposed changes of the Finance Committee composition put forward by the Asia Group. We would also see no reason why we could not agree to this change at this Council.

**Antonio Arturo PLAZA JIMÉNEZ (Chile)**

Hablo en representación del GRULAC. Para nuestro grupo ha sido siempre un dilema el haber tenido que compartir el Comité de Finanzas con el Grupo de Asia, un dilema muy positivo porque hemos tenido una relación muy de caballeros, pero creemos que la propuesta que el Grupo de Asia está tratando de pasar ahora y aprobar es muy adecuada. Queremos ahora ratificar y aprobar esta experiencia positiva para nosotros y que la composición del Comité cuente con la participación adecuada de todas las regiones incluyendo la nuestra, que podrá contar con una permanencia más significativa dentro del Comité. El GRULAC está muy a favor de esta propuesta y ojalá que se pueda aprobar en este Consejo.

**Blair HANKEY (Canada)**

I would like to support the proposal of the Asia Group and for the very reasons that the Asia Group through its spokesman the delegate of India expressed. I think those reasons are all valid and correct. I think the Asia Group has done an excellent job at coming forward with a very reasonable proposal to correct inequity representation in the Governing Bodies of the Organization, which has confronted us since I have been here in last three years. I would hope that subject, to whatever advice we get from the Legal Counsel as to what can be done constitutionally, it could be adopted as quickly as possible and if so, at this meeting.

**David MFOTE (Zimbabwe)**

On behalf of the Africa Group, and the Zimbabwean Delegation, we support the proposal that has been made by the Asian Group.

**Masaharu SATO (Japan)**

Japan as a Member of the Asia Group, strongly supports and concurs with this proposal in front of us, and I am very glad to hear a wide support on the proposal. As a matter of fact, Asia Group spent a lot of time and energy for this revised proposal. We took some lessons from the delegations in previous Council Session in June. One of the important lessons we learned was that

a new formula should give no negative implications to other Regional Groups or countries. In view to this, let me emphasize that a new proposal is beneficial not only for Asia, but also for Latin America, Europe and Southwest Pacific regions.

In the previous Council, there was no consensus, but with this new proposal, I observe a general support here in this Council.

Asia Group would like to have this new formula implemented as soon as possible, but because this proposal is only to change the general rule, I think that it is necessary to confirm the actual seat allocations in each region under this new proposal.

In our communication with other Regional Groups, the end results of actual seat allocation will be as follows; Asia and Pacific two, GRULAC two, Africa two, Near East one, North America one, Europe two, Southwest Pacific one, and the total number is eleven, which is the same as Programme Committee.

My delegation would like to take is on a technical aspect, just in case this proposal is implemented for the next election, which takes place actually on 11 December for the term 2004-2005. The closing date for application for that election presently set on 29 November, this time limit should be extended for another week or so, if this proposal is accepted and implemented as soon as possible.

I just wanted to ask the Secretariat whether this arrangement of extending the closing date is possible or not.

#### **LEGAL COUNSEL**

Let me first indicate that, from a legal point of view, this is an amendment to the General Rules of the Organization and therefore it can be adopted only by the Conference. We are talking here of a proposal that from the Council will go to the Conference. From a procedural point of view, normally this proposal should be accompanied by a draft resolution. I understand there is a consensus that the new amendments will enter into force immediately, which means at the election which will take place at the Council on 11 December. The Council may entrust the Secretariat to prepare such a draft resolution to be presented to the Drafting Committee and then to the Council for approval; this will accelerate the process.

As far as the time limit for the presentation of candidates is concerned, the situation is quite complicated, from a legal point of view. The time limit is established in the General Rules. In fact, General Rule XXVII, paragraph 2, provides that a Member Nation of the Organization seeking election as a member of the Finance Committee shall, as soon as possible, but no later than ten days before the opening date of the Council Session at which the election is to be held, communicate to the Secretary General the name of the candidates.

The Council does not have the power to suspend the General Rules. This is a power which is vested exclusively in the Conference. However, it is not an insurmountable problem from a legal point of view. The Council may ask the Conference to suspend this rule and to establish a new deadline. This, of course, is cumbersome from a procedural point of view. A suspension of the General Rules implies a vote for which a two-thirds majority is required. However, with electronic means this can be done very easily. This matter could be brought to the attention of the General Committee which will establish when the Conference will suspend the rule, establish a new deadline and then adopt the amendments.

#### **Ms Anna BLEFARI MELAZZI (Italy)**

I would like to put forward to the Legal Counsel another question, from a juridical point of view. Can a country present a candidate to be elected to the Finance Committee prior to the creation of the new seats? Which Council would create these two seats?

**LEGAL COUNSEL**

The Conference has to approve the amendments. Therefore, from a strictly legal point of view, nothing exists until the Conference has approved the new rule. What we are saying here is that we have to do this in a concomitant way, otherwise this will be postponed to 2005. If the membership has a consensus on this approach, there should be no legal problem if, when the Conference approves the amendment, at the same time extends the time limits so that everything is ready by 11 December. Of course, there should be a consensus on this.

**Brett HUGHES (Australia)**

I would just like to make one clarification from the Southwest Pacific's perspective on this. We certainly support the proposal as outlined and I think as everybody agreed. In terms of the additional seat the first stage tranche of countries, an additional seat to the second stage tranche of countries. My Japanese colleague outlined an understanding of what the allocations might be within that. I would simply say that while we agree to the allocations between those tranches, the allocations within tranches remain a matter for those members of those Regional Groups to agree on.

**Ibrahim Bocar DAGA (Observateur du Mali)**

J'ai le plaisir et le grand bonheur de pouvoir m'exprimer au nom du G 77 parce qu'une position consensuelle se dégage. Vous aurez compris que depuis hier je ne me suis exprimé qu'au nom de mon petit pays ne pouvant pas porter ce chapeau du G 77 à cause, je dirais, de nos petites contradictions secondaires, car il n'y avait rien de fondamental. Mais, aujourd'hui, je suis vraiment heureux de pouvoir dire que le G 77 dans son ensemble, dans son entité entérinée et plus fortement encore cette position ainsi que les précisions d'ordre juridique qui nous ont été données par le Conseil juridique cet après-midi nous confortent dans cette position. Nous voudrions juste prier l'Union Européenne de s'activer car la cause nous semble entendue, et celle-ci nous semble juste et bonne dans l'intérêt de l'Institution et de grâce que l'on puisse là encore décider le plus rapidement possible. Nous vous remercions par avance de votre compréhension.

Au nom du G 77, je tiens à remercier les uns et les autres en cette fin de journée d'avoir une position consensuelle sur un problème d'importance.

**LE PRÉSIDENT**

Y-a-t-il d'autres interventions? Non. Bien, écoutez, il me semble qu'il y a un consensus. Il y a un véritable consensus car Mme l'Ambassadeur d'Italie avait dit qu'elle se joindrait au consensus. Très bien.

**Govindan NAIR (India)**

This is only to thank all the Regional Groups for their support of the Asia Group's proposal, and to express my complete satisfaction of the consensus that we have reached. The Legal Counsel has suggested the road ahead, and I would suggest that this is exactly how we proceed, in that we should place the matter before the Conference and suspend the rule in question, so that the necessary nomination can take place within the next few days.

Thank you once again to all the Regional Groups for the support to the Asia Group.

**LE PRÉSIDENT**

Nous procéderons ainsi. Il faudrait présenter une résolution à la Conférence. Le Secrétariat présentera un texte. Il nous reste le point 12 de l'ordre du jour. Il s'agit d'autres questions, intitulées "Autres questions". Je n'ai rien à signaler à ce propos.

**V. OTHER MATTERS** (continued)  
**V. QUESTIONS DIVERSES** (suite)  
**V. OTROS ASUNTOS** (continuación)

**12. Any Other Matters**

**12. Autres questions**

**12. Otros asuntos**

**Bandar Ben Abdel Moshin AL SHALHOOB (Saudi Arabia) (Original language Arabic)**

I have a question for the Legal Counsel. Will all the other Regional Groups be able to proceed in this fashion if they increase their numbers, will this set a legal precedent? I agree with the decision, but this is just a question.

**LEGAL COUNSEL**

I do not see the precedent. Yes, the proposal is coming from a Region, but it is the Council which is supporting this proposal and it will be the Conference which would approve it. It is the normal procedure.

Proposals for amendments have to come from you, as Members and they have to go through the Governing Bodies of the Organization. Therefore, once a proposal reaches the Governing Bodies, it is no longer a Regional Group but it is the Council that is proposing it, and the Conference adopting it. It is a proposal of the Membership of the Organization as a whole.

**LE PRÉSIDENT**

Nous revenons au point 12 de l'ordre du jour et je voudrais savoir si quelqu'un souhaite prendre la parole. Non? Très bien. Je voudrais faire quelques observations. Tout d'abord, le Comité de rédaction se réunit à 18 h 30 à la Salle du Mexique. Demain matin à 10 h 00, le Groupe de travail sur le "Split Assessment" se réunira dans la Salle de la Malaisie.

À 14 h 00, le Groupe sur la représentation géographique se réunira dans la Salle du Liban.

À 16 h 00, il y aura une plénière pour le rapport du Groupe de travail sur le "Split Assessment" et à 20 h 30, on se réunira en plénière pour l'adoption du rapport.

Je répète: le Comité de rédaction se réunira aujourd'hui à 18 h 30 dans la Salle du Mexique.

Demain matin à 10 h 00, le Groupe de travail sur le recouvrement fractionné se réunira dans la Salle de la Malaisie.

À 14 h 00, le Groupe de travail sur la représentation géographique se réunira dans la Salle du Liban.

À 16 h 00, une séance plénière pour le rapport du Groupe de travail sur le recouvrement fractionné et à 20 h 30, l'adoption du rapport en plénière. S'il n'y a pas de commentaires, je lèverai donc la séance.

Le groupe du GRULAC est prié de rester en salle.

L'Egypte me prie de signaler qu'il y a une réunion du groupe du Proche-Orient demain à 15 h 00 dans la Salle de Cuba (B 224).

*The meeting rose at 18.25 hours*

*La séance est levée à 18 h 25*

*Se levanta la sesión a las 18.25 horas*

# COUNCIL CONSEIL CONSEJO

**Hundred and Twenty-fifth Session  
Cent vingt-cinquième session  
125° período de sesiones**

**Rome, 26-28 November 2003  
Rome, 26-28 novembre 2003  
Roma, 26-28 de noviembre de 2003**

**FIFTH PLENARY SESSION  
QUINZIÈME SÉANCE PLÉNIÈRE  
QUINTA SESIÓN PLENARIA**

**28 November 2003**

The Fifth Plenary Meeting was opened at 18.01 hours  
Mr Aziz Mekouar,  
Independent Chairman of the Council, presiding

La quinzième séance plénière est ouverte à 18 h 01  
sous la présidence de M. Aziz Mekouar,  
Président indépendant du Conseil

Se abre la quinta sesión plenaria a las 18.01 horas  
bajo la presidencia del Sr. Aziz Mekouar,  
Presidente Independiente del Consejo

## LE PRÉSIDENT

Je déclare ouverte la cinquième séance de la 125<sup>ème</sup> réunion du Conseil. Nous allons conclure nos travaux sur le sous point 8.3 sur le recouvrement fractionné des contributions.

### III. PROGRAMME, BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS

(continued)

### III. QUESTIONS RELATIVES AU PROGRAMME, AU BUDGET, AUX FINANCES ET À L'ADMINISTRATION (suite)

### III. ASUNTOS DEL PROGRAMA Y ASUNTOS PRESUPUESTARIOS, FINANCIEROS Y ADMINISTRATIVOS (continuación)

8.3 *Split Assessments* (continued)

8.3 *Recouvrement fractionné des contributions* (suite)

8.3 *Asignación de cuotas* (continuación)

J'aimerais remercier M. Wade, Directeur du Programme du budget et de l'évaluation pour les informations supplémentaires fournies aux délégations. Nous avons eu ce matin une réunion du Groupe *ad hoc* qui nous a fait, à mon avis, beaucoup progresser. Nous avons eu des consultations avant la réunion de cette session et je vous donnerai le résultat de ces concessions mais je voudrais d'abord passer la parole à M. Wade s'il il a quelque chose à nous dire à ce sujet.

#### Tony WADE (Director, Programme, Budget and Evaluation)

Not much to add except that we seem to be in a situation where we understand what the remaining problems are. We do not think that they are insoluble. We seem to be in a situation where there is much more confidence in the overall approach than there was at the beginning of the Session so we have certainly made progress. I do not think I want to say anymore than that at this stage.

## LE PRÉSIDENT

Avant que nous nous réunissions, je voudrais vous informer que j'ai consulté les présidents des différents groupes régionaux et certains pays concernés par cette question. Je suis arrivé à la conclusion que nous pouvions adopter un paragraphe concernant cette question du recouvrement fractionné. La rédaction de ce paragraphe vous a été distribuée dans toutes les langues officielles et je voudrais savoir si nous pouvons adopter ce paragraphe en ce qui concerne le sous point 8.3 – Recouvrement fractionné des contributions. Si nous l'adoptons. Il n'a pas encore été entièrement distribué car toutes les délégations ne l'ont pas. Si nous l'adoptons, ce point ne fera pas l'objet des discussions au Comité de rédaction et ce paragraphe sera inséré tel qu'il est dans le Rapport. Cela évitera au Comité de rédaction de perdre du temps et d'entamer des débats qui ont déjà eu lieu d'une manière informelle. Dès que tout le monde sera en possession du paragraphe en question je demanderai à M. Wade de le relire et à ce moment nous déciderons sur son adoption. Je voudrais signaler tout de même que les consultations avec les différents groupes régionaux ont donné cette rédaction, et si cela est possible, il serait souhaitable de ne pas discuter à nouveau du paragraphe et de sa formulation.

#### Tony WADE (Director, Programme, Budget and Evaluation)

The paragraph reads as follows: "The Council reaffirm the principle endorsed at its Hundred and Twenty-third Session that the approved Programme of Work and Budget should be protected from the effects of fluctuating exchange rates. The Council considered Split Assessments to be an appropriate means for providing this protection, recalling the recommendation of external experts KPMG, and including FAO's Advisory Committee on Investments and the External Auditor, i.e. Cour des Comptes, but recognized that some Members had difficulties with specific modalities. The Council noted the importance of reaching a consensus on this topic at the Thirty-second Session of the Conference and urged all concerned to work together towards this aim."

**LE PRÉSIDENT**

Voilà le paragraphe avec la petite correction dans la version anglaise, c'est-à-dire, supprimer une virgule. Je pense que nous pouvons l'adopter tel qu'il est et il sera envoyé au Comité de rédaction pour qu'il soit introduit dans le Rapport dans cette formulation sans discussion. Est-ce que j'ai l'accord du Conseil? Oui. Je vous remercie.

Nous passons au Point 4 – Préparatifs de la 32<sup>ème</sup> Session de la Conférence de la FAO. Je voudrais passer la parole à M. Rouighi, qui nous donnera certains éléments, notamment comment obtenir ces informations.

**II. ACTIVITIES OF FAO (continued)****II. ACTIVITÉS DE LA FAO (suite)****II. ACTIVIDADES DE LA FAO (continuación)****4. Preparations for the Thirty-second Session of the FAO Conference (Recommendations to the Conference) (C 2003/12; C 2003/12-Sup.1) (continued)****4. Préparatifs de la trente-deuxième session de la Conférence de la FAO (Recommandations de la Conférence) (C 2003/12; C 2003/12-Sup.1) (suite)****4. Preparativos para el 32º período de sesiones de la Conferencia de la FAO (Recomendaciones a la Conferencia) (C 2003/12; C 2003/12-Sup.1) (continuación)****Mohammed ROUGHY (Secrétaire général adjoint)**

Concernant les arrangements sur les tables rondes, il y aura demain dans le journal toutes les informations pertinentes sur ceux-ci et la composition de chaque table ronde jour par jour.

**LE PRÉSIDENT**

En ce qui concerne le sous point 8.2 de l'ordre du jour sur la représentation géographique équitable, je tiens à vous informer que le groupe de travail a achevé sa première réunion et qu'il a convenu de se réunir encore la semaine prochaine.

Je voudrais également rappeler aux Membres de l'Organisation qui souhaitent soumettre leur candidature pour l'élection du Conseil, que ces candidatures doivent être remises au Secrétariat de la Conférence et du Conseil avant demain 12 heures.

Le Comité de rédaction va se réunir dans la Salle du Mexique et nous nous retrouverons à 20 h 30.

**Mme Anna BLEFARI MELAZZI (Italie)**

En ce qui concerne les candidatures pour les deux nouveaux postes que la Conférence va créer pour le Comité des finances quelle sera la nouvelle date d'échéance?

**LEGAL COUNSEL**

As explained yesterday, both the amendments to the General Rules and the proposal for the suspension of the Rule, will be submitted to the Conference. If this is approved tomorrow by the General Committee, the proposal will be before the Conference on Monday 1 December. So, on that day, the Conference will decide on the amendments and the suspension of the Rule. The suggestion from the Secretariat, as discussed in the Drafting Committee, will be for 10 December. However, this will be up to the Conference to decide. This is the suggestion that the Secretariat will make to the Conference through the General Committee.

**LE PRÉSIDENT**

La séance est levée et on se retrouvera pour l'adoption du Rapport.

*The meeting rose at 18.14 hours*

*La séance est levée à 18 h 14*

*Se levanta la sesión a las 18.14 horas*





# COUNCIL CONSEIL CONSEJO

<p><b>Hundred and Twenty-fifth Session</b> <b>Cent vingt-cinquième session</b> <b>125° período de sesiones</b></p>
<p><b>Rome, 26-28 November 2003</b> <b>Rome, 26-28 novembre 2003</b> <b>Roma, 26-28 de noviembre de 2003</b></p>
<p><b>SIXTH PLENARY SESSION</b> <b>SIXIÈME SÉANCE PLÉNIÈRE</b> <b>SEXTA SESIÓN PLENARIA</b></p>
<p><b>28 November 2003</b></p>

The Sixth Plenary Meeting was opened at 20.30 hours

Mr Aziz Mekouar,

Independent Chairman of the Council, presiding

La sixième séance plénière est ouverte à 20 h 30

sous la présidence de M. Aziz Mekouar,

Président indépendant du Conseil

Se abre la sexta sesión plenaria a las 20.30 horas

bajo la presidencia del Sr. Aziz Mekouar,

Presidente Independiente del Consejo

**ADOPTION OF REPORT  
ADOPTION DU RAPPORT  
APROBACIÓN DEL INFORME**

**DRAFT REPORT - PARTS 1 - 5 (CL 125/REP/1-5)  
LES PROJETS DE RAPPORT - PARTIES 1 - 5 (CL 125/REP/1-5)  
LOS PROYECTOS DE INFORME, PARTES 1 - 5 (CL 124/REP/1-5)**

**LE PRÉSIDENT**

Mesdames, Messieurs, je déclare ouverte la sixième séance de la 125<sup>ème</sup> Session du Conseil. Nous allons procéder à l'adoption du rapport de la session.

J'aimerais demander à Mme Claire Gaudot de la France qui a présidé le Comité de rédaction de présenter le rapport.

**Mme Claire GAUDOT (Président du Comité de rédaction)**

Je voudrais remercier tous les Membres du Comité de rédaction qui ont travaillé au cours de ces deux derniers jours avec moi sur la préparation du rapport qui vous a été soumis cet après-midi.

Je voudrais signaler que le Comité a disposé pour ses travaux d'excellents documents préparés par le Secrétariat qui nous ont beaucoup aidés dans nos travaux. Nous avons également été éclairés au cours de nos discussions par l'intervention des services techniques spécialisés de la FAO, ce qui a permis dans un certain nombre de domaines parfois difficiles d'apporter des informations très utiles et nous permettre d'aboutir et de progresser.

Nous avons respecté, autant que faire se peut, si ce n'est à la lettre en tout cas, l'esprit de nos discussions plénières et nous avons surtout veillé à ne pas rouvrir les débats au cours de nos discussions et je dois dire que des sujets parfois difficiles ont été abordés mais que malgré ces difficultés, nous avons réussi à travailler sur la base d'un consensus et le rapport qui vous est présenté maintenant est le résultat d'un consensus de l'ensemble des Membres du Comité de rédaction. C'est pour cela que je souhaiterais, M. le Président, que l'adoption de ce rapport puisse se faire en totalité.

**LE PRÉSIDENT**

Je souhaiterais bien évidemment vous féliciter et vous remercier ainsi que les Membres du Comité de rédaction pour le travail accompli. Je voudrais savoir si le Conseil souhaite adopter le rapport de la session.

*Applause  
Applaudissements  
Aplausos*

*Adopted  
Adopté  
Aprobado*

**LE PRÉSIDENT**

Très bien. Nous avons adopté notre rapport et nous avons terminé notre session très tôt, il est 20 h 30. Je vous souhaite une très bonne soirée. Nous nous retrouverons beaucoup plus nombreux demain dans une salle beaucoup plus grande. Merci beaucoup, merci pour votre travail et merci de votre aide.

*Applause  
Applaudissements  
Aplausos*

*The meeting rose at 20.35 hours*  
*La séance est levée à 20 h 35*  
*Se levanta la sesión a las 20.35 horas*