ERC/08/INF/4

June 2008

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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 | Продовольственная и сельскохозяйственная организация Объединенных Наций | Organización de las Naciones Unidas para la Agricultura y la Alimentación

TWENTY-SIXTH FAO REGIONAL CONFERENCE FOR EUROPE

Innsbruck, Austria, 26-27 June 2008

STATEMENT BY THE DIRECTOR-GENERAL

Mr Chairman,

Distinguished Ministers,

Honourable Delegates,

Ladies and Gentlemen,

Introduction

It is an honour and a great pleasure for me to be here with you for this Twenty-sixth FAO Regional Conference for Europe, which is being held in the picturesque Austrian city of Innsbruck. I should like to express my deep gratitude to the Government and people of Austria for their warm welcome and the hospitality extended to the delegations. I also wish to thank the authorities of the host country for having covered the travel and accommodation expenses of some countries so that all the region's Member Nations can be present today.

State of food insecurity in the world, Europe and Central Asia

Hunger and poverty are the two major scourges of humanity. The World Food Summit of 1996 and the Millennium Summit had therefore set the goal of halving hunger and undernutrition by 2015. Alas, twelve years later, we must conclude that progress towards that goal has been very insufficient. If we compare the base period of 1990-92 with the most recent available estimates, we see that the downward trend of reduction in the number of hungry people has unfortunately been reversed. While there were 854 million undernourished people in the world in 2001-03, the total rose to 862 million in 2002-04. The developing countries have seen an increase of 7 million undernourished people to the 823 million of the base period (1990-92) of the World Food Summit (WFS) commitments.

However, the data show that the countries in transition have recently made progress towards the realization of the WFS target. The number of people suffering from hunger in those countries fell by 2.2 million between 2001-03 and 2002-04 (from 24.7 to 22.5 millions), a reduction of 9 percent. This improvement occurred mainly in the Commonwealth of Independent States (CIS), where most of the region's undernourished live.

Growth of per capita GDP and agricultural production in the region

As in most parts of the world affected by food insecurity, hunger in Europe and Central Asia derives from rural poverty and natural and man-made disasters, rather than from a total lack of food at the macroeconomic level.

In the past ten years, some of the poorest countries have posted the largest gains in per capita national income, notably the countries of the Transcaucasus and Central Asia, while growth has been slower in the countries of Western and Eastern Europe. Also, per capita agricultural production has risen more rapidly in the Transcaucasus and Central Asian countries, and more slowly in Western and Eastern Europe.

Constraints to food security

But this positive trend of the last ten years might be coming to a halt. The last two years have seen significant price hikes for most basic food commodities, impacting heavily on the food security of the most vulnerable groups. In 2007, world food prices rose 40 percent. Such an escalation of prices has had a destabilizing impact on many poor countries. Since the autumn of 2007, I have taken a number of initiatives to sensitize policy-makers and civil society on the measures that are needed to address this problem.

FAO's Initiative on Soaring Food Prices

In March 2008, FAO and the European Bank for Reconstruction and Development (EBRD) organized a conference on soaring food prices, during which both organizations called for bold policy measures to contain price increases. FAO experts consider that there is a significant agricultural potential in Kazakhstan, Russia and Ukraine. With a favourable policy environment and investments in infrastructure, at least 13 million hectares could be returned to production, without major cost to the environment. Moreover, crop yields in those three countries are three times lower than in Central, Eastern and Western Europe, which employ modern inputs and use contract farming systems to reduce market risks.

However, governments have often responded to higher food prices by imposing export restrictions, undermining the existing marketing channels. Instead of encouraging investment, such policies have led to the cancellation of export contracts and to lower prices paid to farmers.

Other constraints to food security in the region

For the past two years, agricultural production and food security in the region have been undermined by pests, diseases and emergencies. FAO has launched projects to supply pesticides and other products. It has organized regional consultations to address the transboundary migration of locusts and diseases. The countries of the Transcaucasus have been affected by avian influenza, foot-and-mouth disease and African swine fever.

FAO has always advocated an approach based on prevention, giving priority to institution building, training of national officers and early detection. It has spearheaded the control of transboundary diseases and pests through the mobilization of international expertise and the necessary financial resources. In this connection, I should like to highlight the close and fruitful cooperation that exists between FAO and its major partners in the region: namely the World Health Organization, the World Organization for Animal Health and the European Commission.

In the last two years, FAO has responded to emergency situations in the Russian Federation, in Tajikistan and in the Republic of Moldova. It has helped poor rural households rebuild their livelihoods, in particular through livestock with high-value agricultural products. It has provided seeds and animal feed to farmers affected by snowfall and drought.

Agenda of the Regional Conference

During this Twenty-sixth Regional Conference, you will be informed of FAO's activities in the region. Emphasis has been placed on the achievement of the World Food Summit target and the Millennium Development Goals.

In addition, of particular interest would be the recommendations emanating from the Ministerial Round Tables on "FAO and adaptation to climate change in the European region" and on the "Promotion of traditional regional agricultural products and food".

Main challenges and prospects in the region

Mr Chairman,

Ladies and Gentlemen,

The Commonwealth of Independent States and the countries of Southeast Europe are far more rural and agricultural than those of Western Europe. Urban and periurban agriculture is also a source of income, foreign exchange and remunerative employment. Yet agriculture remains a vulnerable sector and provides a relatively low income because of insufficient crop yields.

FAO's main concern in this region is therefore rural poverty which, in some countries and especially in Central Asia, is accompanied by food insecurity. Yet countries have a large number of qualified specialists in technical fields such as veterinary medicine, fisheries, forestry and agronomy. But what is lacking for agricultural and rural growth are development policies that favour commercial agriculture, and institutions of governance and support for the development of family farms and the private sector. New EU member countries have succeeded to reduce rural poverty, ensure sustainable agricultural growth and to become high-income countries by adapting their policies and institutions. They have invaluable information and expertise elements for the implementation of the process of agricultural transition.

FAO is ready to provide its assistance:

- to adapt policies and institutions to the needs of market-oriented agriculture and international trade standards;
- to advise on the techniques of modern, sustainable agriculture;
- to help countries put in place more reliable food control systems;
- to ensure a sustainable use of forests and other natural resources;
- and, above all, to ensure food security for all.

Finally, FAO needs to be highly effective in carrying out its mandate. That is why, with the support of all Member Nations currently working on the conclusions of the Independent External Evaluation conducted in 2006 and 2007, I am personally committed, and together with me all the Secretariat, to the process of reform initiated by the Conference of the Organization in November 2007.

I wish you a very successful meeting, and thank you for your kind attention.