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FINANCE COMMITTEE

Hundred and Thirty-second Session

Rome, 12 – 16 April 2010

Emoluments of the Independent Chairperson of the Council

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EXECUTIVE SUMMARY

- This document is presented for consideration by the Finance Committee following communication between the Independent Chairperson of Council and the Chairperson of the Finance Committee at the beginning of 2010.
- The conditions of appointment of the Independent Chairperson of Council, first established by Conference in 1951, have subsequently undergone review and decisions by Governing Bodies, including by the Finance Committee at its 128th Session in July 2009, and by Conference at its 36th Session in November 2009.
- Recognizing the substantially revised role of the Independent Chairperson of Council as adopted by the Conference in November 2009, a proposal was received to revise the economic conditions of employment of the Independent Chairperson.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Committee is invited to review the proposed revision of the economic conditions of employment of the Independent Chairperson of Council, as summarized in the Annex of the document, and to provide its recommendation for decision by the Council in May 2010.

Introduction

1. By Resolution 17/2009 adopted in November 2009, the Conference decided *inter alia* that “an agreement between FAO and the Independent Chairperson of the Council, consistent with the Basic Texts of FAO and this Resolution, may clarify terms and conditions related to the office of the Independent Chairperson of the Council.”¹
2. At the beginning of 2010, the Independent Chairperson of Council exchanged views with the Chairperson of the Finance Committee on the emoluments of the Independent Chairperson of Council. Subsequently, this matter was included in the provisional agenda of the 132nd session of the Finance Committee.

Background

3. The conditions of appointment of the Independent Chairperson of Council were first established by the FAO Conference in 1951, and included an annual representation allowance to cover representation expenses and secretarial assistance in the Chairperson’s home station².
4. Following several revisions, the amount of the representation allowance was fixed at USD 22,000 per year by the Conference in 1993³. In 2005 the Conference decided that one half of the allowance be paid in US dollars and the other half in the currency of the home station of the Chairperson, or in Euros, at the choice of the Chairperson⁴.
5. During the Conference session in 2007, the General Committee discussed a possible increase of the representation allowance. Mindful of the fact that the allowance had not been adjusted since 1993, it recommended that in the future its amount be determined on the basis of a study by the Finance Committee⁵. The Conference endorsed this recommendation in Resolution 11/2007 on the appointment of the Independent Chairperson of Council⁶.

Recent Decisions of Governing Bodies

6. In May 2008, the Finance Committee requested the Secretariat to present, prior to the 2009 session of the Conference, a proposal for an appropriate mechanism to allow for periodic adjustment of the representation allowance of the Independent Chairperson of Council⁷.
7. In July 2009, a Secretariat paper⁸ noted that, in view of the strengthened role of the Independent Chairperson of Council, the intended use of the representation allowance had altered to reflect the expectation that the Chairperson would normally spend six to eight months in Rome. The allowance would henceforth serve to enable the Chairperson to undertake an enhanced facilitation role and would consist of a single component, to be paid in Euros. In addition, the

¹ *Report of the Conference of FAO*, Thirty-sixth Session, Rome, 18-23 November 2009.

² Resolution 79 - Allowances of Chairman of the Council, *Report of the Conference of FAO*, Sixth Session, Rome, 19 November - 6 December 1951.

³ Resolution 20/93 - Appointment of the Independent Chairman of the Council, *Report of the Conference of FAO*, Twenty-seventh Session, Rome, 6-24 November 1993.

⁴ Resolution 12/2005 - Appointment of the Independent Chairperson of the Council, *Report of the Conference of FAO*, Thirty-third Session, Rome, 19-26 November 2005.

⁵ *Fifth Report of the General Committee*, C 2007/LIM/22.

⁶ *Report of the Conference of FAO*, Thirty-fourth Session, Rome, 17-24 November 2007.

⁷ *Representation Allowance for the Independent Chairperson of the Council*, FC 122/18; *Report of the 122nd Session of the Finance Committee (Rome, 22-30 May 2008)*, CL 135/7.

⁸ *Representation Allowance for the Independent Chairperson of the Council*, FC 128/21.

Chairperson would receive a daily subsistence allowance for his/her period of stay in Rome and for travel undertaken as part of his/her official duties as Independent Chairperson of Council.

8. The Finance Committee agreed that the representation allowance be consolidated into a single component in Euros, to be determined through the conversion of the current level of USD 22,000 decided in 1993. It further agreed that the single component be adjusted annually based on the yearly consolidation percentage issued by the International Civil Service Commission⁹.

9. In discussing the conditions of appointment of the Chairperson in November 2009, the General Committee of the Conference did not make a specific recommendation regarding the representation allowance suggesting that an agreement between FAO and the Independent Chairperson of Council may clarify the terms and conditions related to the office of the Chairperson¹⁰. This guidance was reflected in Resolution 17/2009 on the appointment of the Independent Chairperson of Council, where no reference was made to the representation allowance. The Resolution included:

- *A per diem allowance equivalent to the applicable standard daily subsistence allowance (DSA) rate at 140%, while the Chairperson is in Rome or travels on Council matters;*
- *Travel expenses, including the above per diem allowance, shall be defrayed by the Organization, in conformity with its regulations and existing practices, when the Chairperson is in Rome or when the Chairperson travels in the performance of the functions of the office of the Independent Chairperson of the Council.*¹¹

Consideration of change to the economic conditions of employment of the Independent Chairperson of Council

10. Recognizing the substantially revised role of the Independent Chairperson of Council from 2010, as provided in Resolution 9/2009 adopted in November 2009 whereby the Conference decided that the Independent Chairperson of Council “*shall be required to be present in Rome for all sessions of the Council and will normally be expected to spend at least six to eight months of the year in Rome*”¹², and considering that the Independent Chairperson of Council is also the Chairperson of the CoC-IEE¹³, as a result of which he resigned from his previous function, a proposal was received to revise the economic conditions of employment of the Independent Chairperson of Council, through an agreement with the Organization, as indicated in the Annex . These revised conditions would require a recommendation by the Finance Committee and endorsement by the Council before such agreement can be entered into between the Independent Chairperson of Council and FAO.

⁹ Report of the 128th Session of the Finance Committee (Rome, 27-31 July 2009), CL 137/4.

¹⁰ Report of the Second Meeting of the General Committee, C 2009/LIM/15.

¹¹ Report of the Conference of FAO, Thirty-sixth Session, Rome, 18-23 November 2009.

¹² Report of the Conference of FAO, Thirty-sixth Session, Rome, 18-23 November 2009.

¹³ Resolution 5/2009 adopted by the Conference in November 2009, Report of the Conference of FAO, Thirty-sixth Session, Rome, 18-23 November 2009.

Suggested action by the Committee

11. The Committee is invited to review the proposed revision of the economic conditions of employment of the Independent Chairperson of Council, as summarized in the Annex, and to provide its recommendation for decision by the Council in May 2010.

Annex**Proposed revision to the economic conditions of employment of the Independent Chairperson of Council**

Without prejudice to the terms and conditions of Resolution 17/2009, the proposed agreement would provide that the Independent Chairperson of Council would also receive from FAO:

- as from his entry on duty, honorarium in the form of an annual lump sum of EUR 86,000, to be paid half-yearly *pro rata temporis*;
- an annual representation allowance of EUR 17,500, comprising the representation allowance payable until 2009 adjusted since 2007 based on the yearly consolidation percentage issued by the ICSC, to be paid *pro rata temporis* according to the actual duration of the term of office during the biennium.