


February 2013

	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 Alimentación y la Agricultura
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FINANCE COMMITTEE

Hundred and Forty-eighth Session

Rome, 18 - 22 March 2013

Annual Report of the Ethics Committee

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EXECUTIVE SUMMARY

- This first Annual Report of the Ethics Committee provides an overview of the work of the Committee at its meetings of March and October 2012. Given the particular characteristics of the period under review, from the point of view of both the composition of the Ethics Committee and changes affecting the senior management of the Organization, the Committee's meetings were primarily devoted to the review and exchange of information on the programmes and activities of the Ethics Office and the Organization's ethics-related policies, as well as exchange of information on practices of other organizations.
- The Ethics Committee examined the overall ethics programme on the basis of the Ethics Office's Strategic Framework and Action Plan for 2011-2017 and information provided by the Ethics Officer and Management.
- The Ethics Committee expressed satisfaction at the activities conducted by the Ethics Office which it considered to be adequate within the available budget. In addition, it considered that the ethics programme is operating effectively through the roll out of training workshops, the provision of ethics-related advice and regular communications to staff. The Committee, in particular, expressed satisfaction at the forthcoming implementation of the Financial Disclosure Programme.
- The Ethics Committee noted that the Ethics Officer has been designated as the FAO Focal Point to support the FAO Programme on the Protection from Sexual Exploitation and Abuse.
- The Ethics Committee expressed concern at the current situation of uncertainty and duplication in a number of staff-related functions, including, *inter alia*, Ethics, the Ombudsman, the Staff Relations Officer, the Mediation Programme, and considered that there would be merit in seeking to rationalize and make these interrelated functions more efficient and avoid duplication and potential conflict.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of the Annual Report of the Ethics Committee for 2012 and highlight any particular issues as deemed appropriate.

Draft Advice

- **The Finance Committee takes note of the FAO Ethics Committee's Annual Report for 2012.**

I. INTRODUCTION

1. The FAO Ethics Committee operates as an advisory panel on all matters pertaining to ethics within the Organization, ensures general oversight over the functioning of the ethics programme and provides assurance that the ethics programme is operating effectively. The Ethics Committee also reviews and advises on all relevant ethics policies, regulations and rules, training, disclosure programmes and conflict of interest prevention. Under its Terms of Reference, as reproduced in **Annex I** hereto, the Ethics Committee submits an annual report on its activities to the Director-General, the Committee on Constitutional and Legal Matters and the Finance Committee.
2. The FAO Ethics Committee is a unique feature in the United Nations System. The Immediate Plan of Action for FAO Renewal called for the establishment of the Committee. However, subsequently, the membership could not agree to its establishment and, during a period of two years, much discussion surrounded the issue of whether it should be established. In particular, the membership could not agree on the rationale and need for the Committee, including in the light of cost efficiency considerations, nor on its mandate or *modus operandi*, nor on its relationship *vis-à-vis* the Ethics Office. Eventually, in the Spring of 2011, the Council agreed to the establishment of the Committee on a trial basis for a period of four years starting in January 2012. Throughout this period, the relevant Governing Bodies would review closely the work of the Committee in order to determine, at the end of that period, whether the Committee should be established on a permanent basis, or whether there should be any adjustments to its Statutes.
3. This first Annual Report of the Ethics Committee provides an overview of the work of the Committee at its meetings of March and October 2012, at FAO Headquarters. Overall, the work of the Committee has been conditioned by this particular period of changes in the senior management of the Organization and by the fact that there were a number of difficulties affecting continuity of membership of external Members for reasons beyond their control and that the Committee could not reach a quorum at its second meeting. The statutory composition of the Ethics Committee is included in its Terms of Reference (**Annex I**) and has appointed Mr Ngonlardje Kabra Mbaidjol, Ms Anne Marie Taylor and Mr José Zalaquett as its external Members. There were changes in this composition during the period under review as mentioned below.

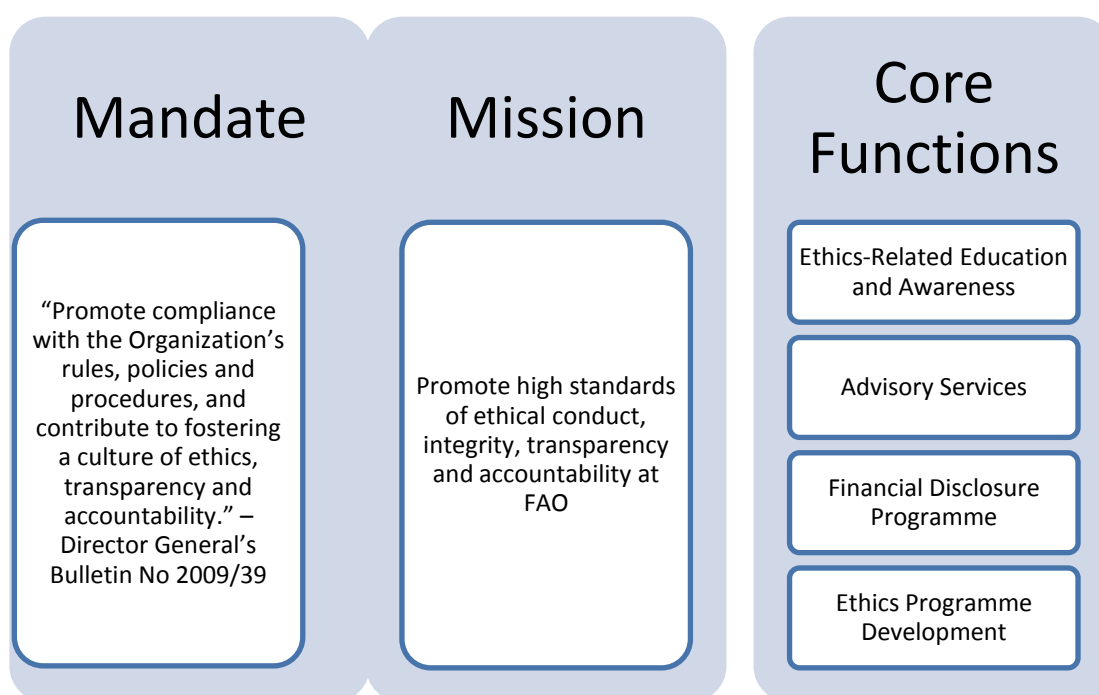
II. FUNCTIONING OF THE ETHICS COMMITTEE

4. The Ethics Committee held two meetings, each of two day duration in March and October 2012 in Rome. The following members participated in the first meeting: Mr Ngonlardje Kabra Mbaidjol, Ms Anne Marie Taylor, Ms Ann Tutwiler and Mr Antonio Tavares. The second meeting was held with the participation of Mr Ngonlardje Kabra Mbaidjol, Mr José Zalaquett and Mr Antonio Tavares. In connection with this particular meeting, held without a quorum, the Committee agreed to hold informal discussions and exchanges of information and views on ethics related issues. On 16 January 2013, one member of the Ethics Committee, Ms Anne Marie Taylor, tendered her resignation for health reasons.
5. Both meetings were chaired by Mr Ngonlardje Kabra Mbaidjol. The Committee asked the Ethics Officer to act as Secretary of the Ethics Committee while noting that the Ethics Committee should not have any supervisory function *vis-à-vis* the Ethics Office.
6. The Director-General addressed the Committee at its first meeting and assured that he would respect the independence of the Committee and consider carefully its recommendations.
7. At its first meeting, the Committee received a detailed briefing on the structure and activities of the Organization. At both meetings, in addition to examining the programme of work and the activities of the Ethics Office, the Ethics Committee received detailed presentations on a number of matters such as the Whistleblower Protection Policy by the Office of the Inspector-General; procedures to report and investigate harassment by the Office of Human Resources; the strategy for decentralization by the Office of Support to Decentralization; and Protection from Sexual Exploitation and Abuse by the Technical Cooperation Department.

8. In general, given the particular characteristics of the period under review, from the point of view of both the composition of the Committee and the changes affecting the management of the Organization, the meetings of the Committee were primarily devoted to review and exchange of information on the programmes and activities of the Ethics Office and various ethics related policies of the Organization. In the same vein, the members exchanged information on practices of their respective organizations.

III. DELIBERATIONS OF THE COMMITTEE

9. The Committee noted that the establishment of an Ethics Office in FAO was approved at the 35th (Special) Session of the Conference of FAO, in November 2008. The Conference approved the Immediate Plan of Action for FAO Renewal (2009-2011), with an action on “*Appointment of an Ethics Officer, functioning of the office, and training of staff*” (IPA action 3.33). The Ethics Office commenced operation on 15 December 2009 after the appointment of the Ethics Officer¹. Its mandate, mission and core functions are shown below:



10. Currently, the Ethics Office comprises two staff members: the Ethics Officer (P-5) and an Office Clerk (G-4), who operate under the general supervision of the Director-General and within the administrative framework of the Legal Office. The Ethics Office presented the Ethics Committee with its Strategic Framework and Action Plan for 2011-2017 at the first meeting in March 2012 (**Annex II**).

11. The Committee examined the overall ethics programme on the basis of the Ethics Office’s Strategic Framework and Action Plan for 2011-2017 and information provided by the Ethics Officer and Management. The Committee examined and discussed the following specific features or components of the programme and activities of the Ethics Office that were carried out during the period under review:

- The Ethics Office communicated its mandate and responsibilities through regular training workshops, briefings, presentations in orientation sessions and other mechanisms. These were aimed at ensuring that all personnel have a clear understanding of the role, functions and jurisdiction of the Ethics Office. The training to decentralized offices used video-

¹ Director-General’s Bulletin 2009/39

conferencing, hence allowing cost savings. From 2010 to 2012, approximately 2,000 staff received ethics training in 51 country offices and 28 Divisions in Headquarters, including the Office of the Director-General (ODG). All ethics workshops were attended by either the FAO Representative in the country offices or the Division Director in Headquarters.

- The implementation of the UN Questionnaire for the Financial Disclosure Programme, with a preventative and educational system to avoid conflicts of interest, in which approximately 240 staff in Headquarters and Field Offices will participate and which is due to become operational in March 2013.
- Senior managers at level D-1 and above and FAO Representatives received ethics briefings with emphasis on Management's responsibility in fostering an environment of ethics, integrity and accountability.
- An e-learning training programme is scheduled for implementation in the month of May 2013. This will be available to personnel at all levels, in Headquarters and the field, and will enable the Ethics Office to provide training to those personnel who are remotely-located, such as those in Project Offices.
- The Ethics Officer is an active member of the Ethics Network of Multilateral Organizations. Within the same framework, FAO extended an invitation to the Ethics Offices of the UN Specialized Agencies and selected international institutions to participate in the first United Nations system-wide Ethics Meeting, held in FAO Headquarters, on 21 June 2010, with the participation of 20 other entities. Meeting once or twice per annum, this is a professional network of international ethics practitioners. Areas of collaboration include: a) exchange of successful practices; b) issuance of model guidance; c) internal benchmarking services; d) peer review and programme assessment; and e) strategic planning.
- The Ethics Office made progress in preventing conflicts of interest by clarifying the Organization's policy and through the development of a disclosure statement regarding outside activities by the Ethics Office and the Human Resources Policy and Servicing Support Office, making it more visible to newly-recruited personnel. This will be attached to all new employment contracts.
- Awareness raising regarding the rules on the receipt of gifts through training and articles in the FAO intranet website. An annual reminder has also been sent by the Ethics Office to all divisions in Headquarters and Field offices, containing a template letter to notify FAO suppliers that no Christmas gifts or hampers will be accepted by any unit or individual in FAO's offices.
- The Ethics Office fulfils an awareness raising role and provides confidential advice and guidance so that FAO personnel may be in line with the Standard of Conduct for the International Civil Service. In addition, the Ethics Office develops statistics and reports to the Director-General and the Ethics Committee on the nature and amount of requests for advice which have been received. From 2010 to 2012, a total of 300 requests were received.
- The Ethics Office publishes an internet page on www.fao.org in English, French and Spanish and an intranet page on the Organization's intranet site. These sites provide an outline of the responsibilities of the Ethics Office, the Rules and Regulations of the Organization and guide personnel on how to resolve an ethical dilemma. FAO is also responsible for the creation and maintenance of the Ethics Network of Multilateral Organizations online compendium, which provides resources focusing on the ethics policies and practices of the Organizations.

12. The Committee expressed satisfaction at the activities that the Ethics Office has conducted which it considered to be adequate within the available budget. In addition, it considered that the ethics programme is operating effectively through the roll out of training workshops, the provision of ethics-related advice and regular communications to staff. The Committee, in particular, expressed satisfaction at the forthcoming implementation of the Financial Disclosure Programme, an issue that had been under review for a while.

13. The Committee noted that the Ethics Officer has been designated as the FAO Focal Point to support the FAO Programme on the Protection from Sexual Exploitation and Abuse. Within this framework, several sessions of face-to-face training on this subject have been provided to Headquarters staff of the Emergency Unit, the Field Security Unit and the Office of the Inspector-General. In addition, the Ethics Office included the fundamental issues regarding the Programme on the Protection from Sexual Exploitation and Abuse into the more generalized training workshop.

14. The Committee expressed concern at the current situation of uncertainty and duplication in a number of staff related functions, including, *inter alia*, functions related to Ethics, such as the Ombudsman, the Staff Relations Officer, the Mediation Programme and considered that there would be merit in seeking to rationalize and make these interrelated functions more efficient and avoid duplication and potential conflict.

ANNEX I

TERMS OF REFERENCE AND COMPOSITION OF THE ETHICS COMMITTEE

1. The Ethics Committee shall operate as an advisory panel on all matters pertaining to ethics within the Organization, ensure general oversight over the operation of the ethics programme and provide assurance that the ethics programme is operating effectively. The Ethics Committee shall not have any formal supervisory responsibility in respect of the Ethics Office, nor engage in any operational activities in relation to its mandate.

2. The Ethics Committee shall be established for an initial period of four years. During this period, the Membership, through the Committee on Constitutional and Legal Matters, the Finance Committee and the Council, shall review the work of the Committee in order to determine, at the end of that period, whether the Committee should be extended for a further period of four years, or established on a permanent basis, or to make such adjustments to its *modus operandi* as may be required.

Mandate of the Ethics Committee

3. Subject to the principles that the Ethics Committee shall not have any formal supervisory responsibility in respect of the Ethics Office, nor engage in any operational activities, the Ethics Committee shall have the following mandate:

- a) to keep under review all matters pertaining to the formulation, development and implementation of the ethics programme of the Organization, including the Organization's financial disclosure programme or programmes aimed at preventing or addressing conflict of interest;
- b) to keep under general review the activities of the Ethics Office on the basis of annual reports referred by the Ethics Office to the Committee and to provide guidance thereon;
- c) to advise on such matters as the Director-General may refer to it;
- d) to review and advise on the main individual components of the ethics programme, including any relevant policies, regulations and rules, training, disclosure programmes and conflict of interest prevention and related policies;
- e) to submit an annual report on its activities to the Director-General, the Finance Committee and the Committee on Constitutional and Legal Matters;
- f) to advise or examine any issues related to the fulfillment of its mandate.

Composition of the Ethics Committee

4. The Ethics Committee shall consist of the following members appointed by the Director-General:

- a) three reputable individuals external to the Organization whose nominations are approved by the Council, upon recommendation by the Finance Committee and the Committee on Constitutional and Legal Matters;

b) one Deputy Director-General;

c) the Legal Counsel.

5. The Chairperson of the Ethics Committee shall be elected by the Committee, from among its external members, for a period of two years.

Term of Office

6. The individuals external to the Organization shall be appointed for a term of two years. The Director-General may renew the appointment of the individuals external to the Organization, subject to approval by the Council, upon recommendation by the Finance Committee and the Committee on Constitutional and Legal Matters. The Legal Counsel shall be an ex officio member of the Ethics Committee. The Deputy Director-General shall hold office for a term of two years, which may be extended for another term of up to two years, at the discretion of the Director-General. Should a position fall vacant, a replacement member shall be appointed for the remainder of the term, in accordance with the relevant procedure.

Sessions

7. The Ethics Committee shall hold at least two regular sessions each year. Additional sessions of the Ethics Committee may be convened by the Chairperson, if deemed appropriate. The Director-General may request the Chairperson to convene a meeting if necessary.

Quorum

8. The presence of all members is expected at each meeting. At the discretion of the Chairperson, if necessary, meetings may take place with at least four members.

Secretariat

9. The Organization shall make the necessary secretarial arrangements for the functioning of the Ethics Committee.

ANNEX II

STRATEGIC FRAMEWORK AND ACTION PLAN FOR 2011-2017

	Current Priorities	Early/mid 2012	2013 and beyond
Education and Awareness	<ul style="list-style-type: none"> •Regular outreach with senior managers •Mandatory ethics e-learning program •Integration of ethics into existing initiatives/programs 	<ul style="list-style-type: none"> •Senior management education •Face-to-face training (by topic) •Manager training (face-to-face) •Revised Code of Conduct, website, multilingual brochures •Manager ethics “toolkit” 	<ul style="list-style-type: none"> •Explore ethics outreach to member countries •FAO Ethics Day •Ethics training in new and emerging topics
Advisory Services	<ul style="list-style-type: none"> •Utilization of templates •Knowledge management process to advise senior management of trends and manage business conduct risks •Maintain confidentiality protection 	<ul style="list-style-type: none"> •24/7 multilingual ethics helpline •Provision of guidance to units, divisions and groups. 	
Financial Disclosure Program (FDP)	<ul style="list-style-type: none"> •Consider tender for administering FDP •Incorporate lessons learned from FD pilot prior to 2012 program launch. •Clarify roles/responsibilities for declaration of interest procedures. •Clarify roles/responsibilities for FDP (between EO and Legal) 	<ul style="list-style-type: none"> •FDP Communications 	<ul style="list-style-type: none"> •Consider separate FDP for Senior Management
Ethics Program Development	<ul style="list-style-type: none"> •Provide support to DG and Cabinet •Prepare staffing projection •FAO standards and policy evaluation as it relates to ethics 	<ul style="list-style-type: none"> •Ethics Committee launch •Develop and strengthen partnerships •FAO Ethics Culture Assessment •Annual Report for EO •Train-the trainer 	<ul style="list-style-type: none"> •Information system benchmark and alignment with other multilateral organizations. •Manual of EO processes and procedures