

October 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
---	--	--------------------	---	---	---	--

FINANCE COMMITTEE

Hundred and Fifty-first Session

Rome, 11 - 15 November 2013

Progress Report on the Financial Disclosure Programme

Queries on the substantive content of this document may be addressed to:

Ms Maria Abreu

Ethics Officer

Tel: +3906 5705 6760

*This document can be accessed using the Quick Response Code on this page;
a FAO initiative to minimize its environmental impact and promote greener communications.
Other documents can be consulted at www.fao.org*



mi587e

EXECUTIVE SUMMARY

- At its 147th Session, in November 2012, the Finance Committee expressed satisfaction at the progress made in the introduction of the Financial Disclosure Programme and requested that progress reports on the implementation of the Programme be presented at future sessions of the Committee.
- This document presents the progress made on the Financial Disclosure Programme. All staff required to file a financial disclosure statement did so. None of the staff members who filed financial disclosure statements have been found to have a conflict of interest.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to review this progress report on the Financial Disclosure Programme.

Draft Advice

- **The Committee considered a progress report on the Financial Disclosure Programme and noted with satisfaction that the Programme was now operational and that no conflict of interest had been identified during the review process.**

INTRODUCTION OF THE FINANCIAL DISCLOSURE PROGRAMME

1. FAO launched the implementation of the Financial Disclosure Programme for 2012 through Administrative Circular No. 2012/15, issued on 26 October 2012. The purpose of the Programme is to facilitate the implementation of the Organization's duty to prevent and address actual or potential conflicts of interest (COI) situations and, in turn, preserve an individual's and the Organization's integrity.

2. The Administrative Circular required high level managers and others to file a financial disclosure statement. The following staff members are required to submit such an annual financial disclosure statement:

- Staff members at the D-1 and D- 2 level
- FAO Representatives
- Assistant FAO Representatives (Programme and Administration)
- Heads of Offices (Liaison, Regional and Sub-regional)
- Assistant Directors-General
- Deputy Directors-General
- The Director-General

The Administrative Circular further states that "In addition, staff members whose particular functions carry a risk factor, determined with reference to a set of established risk criteria, are obliged to file a financial disclosure statement upon recruitment and annually thereafter."

3. In March 2012, the FAO Ethics Committee met for their first session and discussed the Financial Disclosure Programme. The Ethics Committee recommended that the Organization should adopt the standard UN Financial Disclosure Questionnaire. It was proposed to initially limit those staff requested to take part in the Programme and to expand the inclusion criteria as the Programme matures. Therefore, 242 staff were initially included in this Programme cycle [all those at grade D-1 and above, all FAO Representatives, headquarters Procurement staff, Treasury, Office of the Inspector-General, Office of Evaluation, the Ethics Office]. In the near future it is proposed that the number will increase to approximately 600 staff members, both at headquarters and in field offices.

4. In January of each calendar year, the Ethics Office, in consultation with the Office of Human Resources, updates the financial disclosure database to include all individuals who are required to file financial disclosure statements for the previous calendar year.

5. From the initial list of 242 staff required to file during the 2012 reporting period, ten were removed from the list because they were exempted by the Ethics Officer for having left the Organization after January 2013 or moved from the particular functions that carried a risk factor. This left a total of 232 persons who were required to file the Financial Disclosure Questionnaire by 31 March 2013. There was a 100% completion rate. Of the 232 staff members who filed financial disclosure statements, none presented a conflict of interest.

6. The term "No COI found" applies to: a) cases such as staff who own stock in companies that are vendors, but where the latter were contracted by means of a centrally managed procurement process at headquarters, and hence without involvement by the disclosing staff member, and; b) cases where staff held stock or had financial accounts in organizations such as the national post office or banks. There are cases where the spouse, partner, or relatives of the staff work for FAO. The External Reviewer received confirmation from all staff members who had a spouse, partner, or relative working in FAO that they did not exercise any supervisory, managerial, or administrative authority over the related party.

7. Hudson-Ethics Consulting Company was contracted to serve as the External Reviewer for Financial Disclosure Statements filed by FAO staff on-site during the months of May and July 2013. For the time being, manual filing is required. The Programme operates under very tight conditions of confidentiality and only the external reviewer has access to the information contained in the disclosures.

SUGGESTED ACTION BY THE COMMITTEE

8. The Committee is invited to take note of the above information and, in particular, that the Financial Disclosure Programme is now operational and no conflict of interest was identified.