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FINANCE COMMITTEE

Hundred and Thirty-eighth Session

Rome, 21 – 25 March 2011

Terms of Reference and Composition of the Ethics Committee

**(Extract from the Report of the 92nd Session of the Committee on
Constitutional and Legal Matters)**

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TERMS OF REFERENCE AND COMPOSITION OF THE ETHICS COMMITTEE

22. The Committee considered document CCLM 92/3 Rev.1 “*Terms of Reference and Composition of the Ethics Committee*”. The CCLM noted that the IPA had called for the establishment of an Ethics Committee whose terms of reference and composition had been under review by the Finance Committee and the CCLM since July 2009. The CCLM noted that, at its session of September 2009, it had endorsed a first proposal for the terms of reference and composition of the Committee. The CCLM observed that the Finance Committee had examined the proposals on a number of occasions and that, at its 136th Session in October 2010, the Finance Committee had requested that a number of amendments be made to the proposal under review concerning an increase in the number of external members, clarification of the procedure for the appointment and the renewal of external members, clarification that the committee should have no operational functions and no supervisory functions over the Ethics Office and that provision should be made for the Organization to make such secretarial arrangements as required for the operation of the Committee, without the Ethics Officer being entrusted with this task.
23. The CCLM noted that some members had doubts as to whether an Ethics Committee should be established given questions on its expected functions vis-à-vis other functions of the Organization. However, at the same time, the CCLM acknowledged that the Conference had requested the establishment of the Ethics Committee, as part of the IPA, and agreed that there were also merits in creating the Committee within FAO and implementing some innovative proposals put forward in that connection.
24. Following a debate on the matter, the CCLM endorsed a proposal that the Ethics Committee be established for a period of four years beginning 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 the period, whether the Committee should be extended for a further period of four years, or established on a permanent basis, or to define such changes to its *modus operandi* as would be necessary in light of all pertinent considerations. The number of external members should be reduced from four to three, the number of internal members from three to two and the term of office reduced to two years. The CCLM recommended that internal members should be a Deputy Director-General and the Legal Counsel. External members would be appointed subject to approval by the Council, upon recommendation of the Finance Committee and the CCLM, at their sessions of autumn 2011.
25. On the above understanding, the CCLM endorsed a revised proposal on the Terms of Reference and Composition of the Ethics Committee set out in Appendix III to this report. The CCLM noted that the Finance Committee would review this proposal at its forthcoming 138th Session.

[...]

APPENDIX III

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 relevant Governing Bodies, 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, to the Finance Committee and the Committee on Constitutional and Legal Matters;*

 - (f) *To advise or examine any issues related to the fulfilment 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 members¹.*

Secretariat

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

¹ For the time being, as discussed on a few past occasions, the proposals do not include detailed procedural rules for the operation of the Committee (e.g. on voting), given the nature of the Committee. In the future, following a possible reassessment of the workings of the Committee, this position could be reconsidered.