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FINANCE COMMITTEE

Hundred and Fifty-first Session

Rome, 11 - 15 November 2013

**Allowances and Conditions associated with the Office of the Independent
Chairperson of the Council**

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EXECUTIVE SUMMARY

- This document is presented for consideration by the Finance Committee following the request contained in Resolution 13/2013, Appointment of the Independent Chairperson of Council, adopted by the 38th Session of the Conference (June 2013), that the allowances and conditions associated with the office of the Independent Chairperson of the Council be reviewed by the Finance Committee and adjusted as may be recommended by the Committee.

GUIDANCE SOUGHT OF THE FINANCE COMMITTEE

- The Committee is invited to review the proposed adjustments to the allowances and conditions associated with the office of the Independent Chairperson of the Council and to provide its recommendations for decision by the 148th Session of the Council in December 2013.

Introduction

1. Under Rule XXIII.1(c) of the General Rules of the Organization (GRO), the "conditions of appointment of the Chairperson of the Council, including the allowances attached to the office, shall be determined by the Conference on the occasion of each appointment, having regard to any recommendations of the General Committee".
2. In this regard, Conference requested through its Resolution 13/2013, adopted in June 2013¹, that the allowances and conditions associated with the office of the Independent Chairperson of the Council (hereinafter referred to as the Chairperson) be reviewed by the Finance Committee, and that they be adjusted as may be recommended by that Committee.
3. The present document describes the current allowances and conditions associated with the office of the Chairperson and present possible adjustments thereto, taking into consideration the role of the Chairperson as set out in the Basic Texts and further specified in Conference Resolution 9/2009².

Background

4. The conditions of appointment of the Chairperson were first established by the FAO Conference at its Sixth Session in 1951³ and included an annual allowance to cover representation expenses and secretarial assistance in the Chairperson's home country. The annual allowance was subsequently revised throughout the years by the Conference. At its 27th Session in November 1993⁴, the Conference increased the allowance to USD 22,000 per annum.
5. In November 2007, the 34th Session of the Conference⁵ decided, in view of the fact that the annual allowance had not been adjusted since 1993, that in the future the amount of the annual allowance would be determined on the basis of a study by the Finance Committee.
6. The Finance Committee reviewed the question at its 128th Session in July 2009⁶. It considered a methodology⁷ designed to facilitate periodic adjustments to the representation allowance of the Chairperson. Under this methodology, the representation allowance would be considered as one amount and would be established in Euros. The amount in Euros would be calculated through the conversion of the current level of USD 22,000 into Euros at the exchange rate in force at the time of the decision taken by the Conference in this regard. The amount would subsequently be adjusted on the yearly International Civil Service Commission (ICSC) consolidation percentage, which is set by reference to the General Schedule scale of the United States Federal Civil Service, which has been the comparator civil service since the establishment of the United Nations.
7. The Conference at its 36th Session (November 2009) recognized, by way of a dedicated resolution⁸, the enhanced role of the Chairperson, stemming from the Immediate Plan of Action (IPA) for FAO Renewal. This resolution, incorporated in the Basic Texts, specified that the Chairperson would be required to be present in Rome for all sessions of the Council, and would normally be expected to spend at least six to eight months of the year in Rome. In turn, Conference Resolution 17/2009 on the Appointment of the Independent Chairperson of Council provided for a per diem allowance equivalent to the applicable standard daily subsistence allowance (DSA) rate at 140%, while the Chairperson was in Rome or was travelling on Council matters. Travel expenses, including the aforementioned per diem allowance, must be defrayed by the Organization, in conformity with its

¹ C 2013/REP, paras 128-129.

² Basic Texts, Volume II, point E.

³ C 1951/REP, para. 362, Res. 79/1951.

⁴ C 1993/REP, paras 331-332, Res. 20/1993.

⁵ C 2007/REP, para. 3, Res. 11/2007.

⁶ CL 137/4, para. 83.

⁷ FC 128/21.

⁸ C2009/REP, para. 141, Res. 9/2009.

regulations and existing practices. Arrangements regarding health protection and medical insurance are made in accordance with Section 343 Part VII of the FAO Administrative Manual.

8. In April 2010, the 132nd Session of the Finance Committee⁹ reviewed the question of the emoluments of the Chairperson and recommended to the Council an adjustment of the annual representation allowance to USD 23,800, from the annual representation allowance of USD 22,000 in force between 1993 and 2009. The recommendation was subsequently endorsed by the Council at its 139th Session in May 2010¹⁰ and adopted by the 37th Session of the Conference (June 2011) through Resolution 13/2011¹¹.

9. As requested by the Conference in Resolution 13/2013, the following proposed adjustments to the allowance and conditions associated with the office of the Chairperson aim at revising the methodology put in place in 2009 by incorporating an additional element. Changes to the applicable medical insurance coverage are also submitted for consideration. The revised methodology would account for expenses and liabilities faced by the Chairperson, as the holder of this office is mandated to spend six to eight months of the year in Rome.

Proposed adjustments to the allowances and conditions associated with the office of the Independent Chairperson of Council

10. At the outset, in keeping with the methodology approved by the Finance Committee in July 2009¹², it is proposed that the annual allowance currently standing at USD 23,800 be adjusted to USD 23,831, in line with the ICSC consolidation percentage of 0,13 percent for 2012, which was approved by the United Nations General Assembly (UNGA)¹³ in December 2011. No consolidation was approved by the UNGA for 2013.

11. Secondly, it is proposed that this adjusted annual allowance be increased to cover expenses incurred by the Chairperson when working on Council matters while outside of Rome. This additional amount would be the equivalent of the cost of salary for four months of a General Service staff member at G5 level in the Chairperson's home country, based on the FAO Standard Rates. In the case of Tanzania, this would translate into additional amount of USD 15,448, for a total annual allowance of USD 39,279. This added component to the methodology agreed by the Finance Committee in 2011 would be in the nature of lump sum and cover all expenses of any kind incurred by the Chairperson on Council matters outside of Rome.

12. As regards the medical insurance provided for under sub-paragraph 2(e) of Resolution 13/2013, it is proposed that the health protection and medical insurance coverage for the Chairperson be the same as the medical coverage provisions applicable to FAO staff members¹⁴, with the cost borne by the Organization. The monthly premiums for this enhanced medical coverage amount to USD 278.04, for a total of USD 3,336.48 per annum. Such medical insurance coverage, provided for under Section 343, Part III of the FAO Administrative Manual, would be limited to the duration of the term of office of the Chairperson and would not include After Service Medical Coverage upon expiry of his term of office. This medical insurance coverage would not extend to the family members of the Chairperson.

⁹ CL 139/8, paras 42-43.

¹⁰ CL 139/REP, para. 46.

¹¹ C 2011/REP, para. 133, Res. 13/2011.

¹² FC 128/21.

¹³ UNGA resolution A/RES/66/235.

¹⁴ The Basic Medical Insurance Plan (BMIP) does not limit the coverage to US\$ 50,000 for any one accident or illness, as is the case with the medical insurance plan currently applicable to the Chairperson. It also includes dental and optical treatment.

Suggested Action by the Committee

13. The Committee is invited to consider the proposed adjustments to the allowances and conditions associated with the office of the Independent Chairperson of the Council and to provide its recommendations to the Council for decision at its 148th Session in December 2013.