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COMMITTEE ON CONSTITUTIONAL AND LEGAL MATTERS

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FINANCIAL DISCLOSURE REQUIREMENTS FOR DESIGNATED STAFF MEMBERS OF THE ORGANIZATION (AMENDMENT OF THE STAFF REGULATIONS)

I. INTRODUCTION AND BACKGROUND

1. The Organization is referring to the Committee on Constitutional and Legal Matters (CCLM) a proposal to amend the Staff Regulations in order to allow for the implementation of a financial disclosure requirement for designated staff members of the Organization. The Council would be required to approve the proposed amendment to the Staff Regulations under Rule XXXIX, paragraph 3 of the General Rules of the Organization, which, in accordance with Article VII, paragraph 6 of the General Regulations of the World Food Programme, would apply also to WFP staff.

2. This document presents the proposed amendment to the Staff Regulations of FAO, based on the provisions in force at the United Nations. The United Nations, as part of their efforts to uphold the highest standards of integrity, and avoid or prevent situations of conflict of interest, have introduced a financial disclosure requirement for designated officials. A number of other organizations of the United Nations system have introduced or are considering introducing comparable requirements. It appears, however, that the actual implementation of the system raises a number of difficulties which require close review. Aside from the specific amendment of the Staff Regulations, this document describes in detail various related issues. For budgetary and administrative reasons it will not be possible for FAO to implement immediately a system similar to that of the United Nations, which is described in this document. As is the case with almost all the organizations of the system, it is proposed that a simplified system of declaration of interest be instituted progressively in the light of all pertinent considerations. It is further proposed that the functioning of the system of declaration of interest be reassessed after an initial period of implementation and a determination be made as to whether the system as in force at the United Nations should be introduced in FAO.

II. PROPOSED AMENDMENT TO THE STAFF REGULATIONS

3. It is proposed to amend the Staff Regulations in order to establish a basis for the introduction of a financial declaration requirement. In this connection, it is noted that the United Nations, as well as a few other organizations of the system, have enshrined this requirement in the Staff Regulations themselves. It is further proposed that the substantive content of the revised Regulations be the same, *mutatis mutandis*, as the ones adopted at the United Nations.

4. The following revised Staff Regulations¹ could, therefore, be introduced under Article I entitled “*Duties, obligations and privileges*”.

“301.1.10. Staff members shall not be actively associated with the management of, or hold a financial interest in, any profit making, business or other concern, if it were possible for the staff member or the profit-making, business or other concern to benefit from such association or financial interest by reason of his or her position with FAO.

301.1.11. All staff members at the D-1 or above level shall be required to file financial disclosure statements on appointment and at intervals thereafter as prescribed by the Director-General, in respect of themselves, their spouses and their dependent children, and to assist the Director-General in verifying the accuracy of the information submitted when so requested. The financial disclosure statements shall include certification that the assets and economic activities of the staff members, their spouses and their dependent children do not pose a conflict of interest with their official duties or the interests of FAO. The financial disclosure statements shall remain confidential and shall only be used as prescribed by the Director-General in making determinations pursuant to Staff Regulation 301.1.10. The Director-General may require other staff to file financial disclosure statements as he deems necessary in the interest of the Organization”.

5. The proposed amendment to the Staff Regulations would apply to the staff of the World Food Programme, in accordance with Article VII, paragraph 6 of the General Regulations, which read as follows:

“The Executive Director shall administer the staff of WFP in accordance with FAO Staff Regulations and Rules and such special rules as may be established by the

¹ As it appears from this document a distinction is made at the United Nations between financial disclosure and declaration of interest statements. The revised Staff Regulations deal with the former requirement. The latter requirement – i.e. of a declaration of interest statement – is not specifically referred to in the Staff Regulations but is based in a requirement of the Staff Rules. In fact, in general the Staff Rules of various organizations provide that “*staff members may not be actively associated with the management of, or hold a financial interest in, any business concern if it were possible for them to benefit from such association or financial interest by reason of their official position with the Organization*”. They also provide that “*who have occasion to deal in their official capacity with any matter involving a business concern in which they hold a financial interest shall disclose the extent of that interest to the Director-General*” which has been considered a sufficient basis for the establishment of a system of declaration of interest.

Executive Director in agreement with the Secretary-General (of the United Nations) and the Director-General (of FAO)”.

6. The Executive Director of WFP requested recently that a special rule, the substance of which would be along the lines of the proposed amendment of the Staff Regulations be approved by the Secretary-General of the United Nations and the Director-General of FAO in order to allow the Executive Director to require staff of the Programme to submit a financial disclosure statement. However, following consultation with the Programme and the United Nations, it was felt more appropriate that the matter be addressed through an amendment of the Staff Regulations, rather than through a special rule also in consideration of the fact that other agencies had amended their Staff Regulations.

III. LEGAL, INSTITUTIONAL AND PRACTICAL ISSUES RELATED TO THE IMPLEMENTATION OF THE REQUIREMENT AS EVIDENCED BY THE RECENT EXPERIENCE OF THE UNITED NATIONS

7. The adoption of the above amendments to the Staff Regulations would be the first step in a complex process of implementation of the requirement. Consultation with other organizations of the United Nations system shows that once the main principles for the financial disclosure statement are enshrined in the Staff Regulations, or in parallel to that, the organizations need to take a number of active steps to implement the provisions. And it appears that if all organizations could easily subscribe to the principle of a financial disclosure requirement, the implementation of the requirement does raise a number of issues that need to be addressed through the issuance of appropriate administrative rules and practical arrangements which will be described below.

8. The presentation under this section – while adjusted to the situation of FAO - is directly based on the procedures in force at the United Nations, which, together with the financial institutions associated with the United Nations system, is the organization where more progress seems to have been achieved in connection with the implementation of this requirement. The implementation issues described or arising from this section would not call into question the proposed amendments. However, as confirmed by the experience of the other organizations of the system and some programmes and funds, these practical implementation issues suggest the desirability of a pragmatic and progressive approach towards the effective implementation of the requirement.

A. Role of the Ethics Office

9. The implementation of the system at the United Nations has implied the establishment and the operation of an Ethics Office. This Ethics Office was established by the Secretary-General of the United Nations by Secretary-General's Bulletin 2005-22 with effect from 1 January 2006. The Ethics Office was established for the purpose of securing the highest standards of integrity of staff members, in accordance with Article 101 of the Charter of the United Nations, and pursuant to a number of decisions with particular reference to paragraph 161 of the 2005 World Summit Outcome². The Ethics Office reports directly to the Secretary-General

² Paragraph 161 (d) of the World Summit Outcome reads as follows: “... (Consequently we:) Welcome the Secretary-General's efforts to ensure ethical conduct, more extensive financial disclosure for United Nations officials and enhanced protection for those who reveal wrongdoing within the Organization. We urge the Secretary-General to

and has the mandate of ensuring that all staff members observe and perform their functions consistent with the highest standards of integrity required by the Charter to the United Nations through fostering a culture of ethics, transparency and accountability. The head of the Ethics Office is appointed by the Secretary-General and is accountable only to him in the performance of his or her functions. An important element of the functions entrusted to the Ethics Office is the administration of the Organization's financial disclosure programme. Section 3.1 of the Secretary-General's Bulletin reads as follows:

"The main responsibilities of the Ethics Office are as follows:

- (a) Administering the Organization's financial disclosure programme;*
- (b) Undertaking the responsibilities assigned to it under the Organization's policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;*
- (c) Providing confidential advice and guidance to staff on ethical issues (e.g. conflict of interest), including administering an ethics helpline;*
- (d) Developing standards, training and education on ethics issues, in coordination with the Office of Human Resources Management and other offices as appropriate, including ensuring annual ethics training for all staff;*
- (e) Such other functions as the Secretary-General considers appropriate for the Office".*

10. **Insofar as the review of financial disclosure statements may be, at times, a complex exercise, the Ethics Office has recourse to "external financial reviewers". Such services are commissioned under strict conditions of confidentiality.**

11. It is important to underline that funds and programmes of the United Nations - such as UNICEF, UNDP and UNFPA – and which account for a very substantial part of the activities of the United Nations, are not part of the disclosure programme of the Secretariat implemented through the Ethics Office. In September/October 2006, the Organization made enquiries from these funds and programmes and while, for the most part, they had the intention of applying a similar programme through their own structures and offices, they had not yet implemented the system effectively at that time.

B. Purpose of the obligation to file a financial disclosure statement or a declaration of interest statement

scrupulously apply the existing standards of conduct and develop a system-wide code of ethics for all United Nations personnel. In this regard, we request the Secretary-General to submit details on an ethics office with independent status, which he intends to create, to the General Assembly at its sixtieth session".

12. The purpose of the obligation to file a financial disclosure statement is to allow the head of the organization, or a senior official on his/her behalf, to make a determination of whether a particular staff member has been associated with the management of, or held a financial interest in any profit-making business and has benefited from such association or financial interest by reason of his or her position with the United Nations.

13. Such determination may not always be easy to make. The organizations which have implemented a system of declaration of interest by experts serving on technical and scientific committees are aware that it may at times be extremely difficult to make such determination which needs to be done *in concreto*, in the light of all pertinent considerations³. In parallel to possible situations of actual conflict of interests, there may be situations of potential conflict of interest or where there is merely a perception that conflict of interest arises and these various differentiated situations may need to be addressed. For instance, one of the organizations which are in the process of implementing an obligation to make a declaration of interest – ILO - has adopted a circular clarifying:

“A potential conflict of interest can arise where an official’s personal relationship or position in external entities can compromise or be seen to compromise their objectivity and impartiality in the discharge of official duties for the ILO (e.g. roles, activities or participation in bodies or groups dealing with ILO matters and activities, close ties with constituents or ILO oversight bodies, etc). Financial or pecuniary interests of officials as a result of family and personal relationships, gifts, benefits and hospitality received from outside sources, as well as through other business interests such as partnerships and family businesses are also considered to be one of the main causes of conflict of interest in a public administration”⁴.

14. In the same vein, the procedures in force at WHO – which did not establish a system of financial disclosure as was the case at the United Nations - seek to address a whole spectrum of situations of conflict of interest which could arise. In fact, it could well be that only practice and experience can allow for the progressive definition of the purpose of the exercise.

C. Applicability of the requirement to file a financial disclosure statement or a declaration of interest statement

15. At the United Nations, and as reflected in this document, a distinction is made between a financial disclosure statement and a declaration of interest statement. Based on provisions in force at the United Nations, the following staff members would be required to file an annual financial disclosure statement:

- (a) all staff members at the D-1 level and above;

³ While in joint FAO/WHO committees of experts it has always been possible to reach agreement eventually on a common position, there were a few cases where the secretariats of the organizations made different assessments as to whether there were situations of potential or perceived conflict of interest.

⁴ ILO Circular No. 662.

(b) all staff members who are procurement officers, or whose principal occupational duties are the procurement of goods and services for FAO;

(c) all staff members whose principle occupational duties relate to the investment of the assets of FAO or of any accounts for which FAO has fiduciary or custodial responsibility;

(d) other staff members whose direct access to confidential procurement or investment information warrants the filing of a financial disclosure statement⁵.

16. The relevant head of department or office is required to determine, in accordance with guidance which may have to be provided to him/her, the staff members who will be required to file financial disclosure statements as per (b), (c) and (d).

17. At the United Nations staff members on “*when actually employed*” appointments, or on short-term appointments in designated positions are required to fill in a declaration of interest form instead of a financial disclosure statement. A question would arise as to whether, in FAO consultants should be required to fill in a financial disclosure statement. In this regard, it may be of interest to mention that FAO relies extensively on the use of consultants who work, at times, in sensitive positions, and it might be appropriate to establish a similar requirement in respect to them. However, the justification for a detailed financial disclosure statement would not be of the same importance as for permanent staff members. The “*declaration of interest*” is, by and large, similar to that which is required from experts appointed by the Director-General on a personal basis and serving on committees and panels of experts.

18. It is suggested that in the case of FAO consultants, recruited under Section 317 of the Administrative Manual, **in designated positions**, should fill in a declaration of interest form.

D. Scope of financial disclosure statements

19. At the United Nation designated staff members are required to file a financial disclosure statement with respect to themselves, their spouses and their dependent children, if any. A spouse is defined as “*an individual whose personal status has been recognized as such for purposes of United Nations entitlements*”. A relative, for purposes of disclosure of persons working in other organizations of the United Nations system, is “*a spouse, father, mother, son, daughter, brother or sister*”.

20. The fact that the staff members are required to file a financial disclosure statement with respect not only to themselves but also to their spouses could appear to be an excessive requirement, notably in situations of marriage settlements where spouses administer their own properties separately. However, **staff members that are not able to comply with the disclosure requirements in respect of their spouse are required to submit a detailed justification to the Ethics Office. The Ethics Office will consider if such justification is**

⁵ At the United Nations all staff members serving in the Ethics Office are also required to file a financial disclosure statement.

reasonable, with regard to the particular circumstances of each case, and may make recommendations to the staff member and/or the Secretary General in respect of each case. Seen together with this particular provision, the requirement that staff members should file a financial disclosure statement also with respect to their spouses would appear to be legally acceptable.

21. As to the substantive scope of the financial disclosure statement, staff members would be required to report the following, on the basis of the procedures applied at the United Nations:

(a) Assets held that have a market value of US\$ 10,000 or above per asset, or the equivalent in local currency at the operational rate of exchange. Assets include but are not limited to stocks, bonds, mutual fund investments and real estate. Personal property (such as motor vehicles, boats, livestock, furniture, carpets, jewellery and art) should be reported only if it is held for investment or business purposes;

(b) Any profit of more than US\$ 10,000 on the sale of personal property that is held for investment or business purposes;

(c) All stock options, publicly listed or private, regardless of value. Stock options are defined as a right or option to buy a specific number of shares at a later date or price;

(d) Income earned from sources other than FAO in the reporting period, including from investments listed in subparagraph (a) above, any form of deferred emoluments from prior employment (but excluding United Nations pension benefits received from prior employment), or profit shares from prior employment partnerships, if the total of all such income is over US\$ 10,000 in the reporting period;

(e) Any form of supplement, direct or indirect, to FAO emoluments, including provision of housing or subsidized housing, or any gift, per diem, reimbursements, entertainment or travel expenses, favour, benefit, remuneration or in kind contribution from any Government, governmental agency or other non-FAO source aggregating US\$ 250 or more, from a single source during the reporting year, other than dependency benefits under national laws, travel and per diem for approved outside activities and residential accommodation that have been accepted by FAO for its staff. Gifts from relatives are not required to be reported. This is without any prejudice to the fact that the Staff Regulations and Rules establish a number of procedures regarding the receipt of honours, gifts or remuneration from governmental or non-governmental sources.

(f) Liabilities over US\$ 50,000 owed to any creditor, including a mortgage on the staff member's personal and/or vacation residence, as well as liability to a former spouse. Liabilities owed to a parent, sibling, dependent child are excluded.

(g) Involvement in any other activity, whether or not the activity is subject to approval by the Director-General under the applicable Staff Regulations and Rules, that could have an impact on the objectivity or independence of the staff member in the performance of duties for FAO or otherwise affect the image or reputation of the Organization. Again, this would be without prejudice to the fact that staff members

should not, in accordance with the Staff Regulations, engage in any activity that is incompatible with the proper discharge of their duties.

(h) A spouse's or dependent child's financial or other interest in, or association with, any entity with which the staff member may be required to have dealings on behalf of the Organization, or any entity which has any commercial interest in the work of FAO or a common area of activity with FAO.

22. Also based on the procedures in force at the United Nations, staff members required to file a financial disclosure statement would also be required to report any leadership or policy making role in any non-FAO entity, including membership on any corporate board. Again this requirement should not be construed as limiting the prohibition for staff members to engage in any activity that is incompatible with the proper discharge of their duties. In addition, staff members are required to report any relatives employed in organizations, programmes and funds of the United Nations system.

E. Scope of declaration of interest statements

23. Based on the procedures in force at the United Nations, the staff members who would be required to file a declaration of interest statement would be asked to report the following:

(a) Any financial or other interest in, or association with, any entity with which the staff member anticipates or should reasonably anticipate he or she may be required to have official dealings on behalf of the Organization, or any entity that has a commercial interest in the work of FAO or a common area of activity with FAO, in respect of themselves, their spouses and dependent children if any;

(b) Any leadership or policymaking role of the staff member in any non-FAO entity, including membership on any corporate board;

(c) Current or past involvement of the staff member in any other activity whether or not the activity is subject to approval by the Director-General under the applicable Staff Regulations and Rules, which could have an impact on the objectivity and independence of the staff member in the specific performance of the functions for which the staff member has been contracted by FAO or otherwise affect the image of the Organization.

(d) Any relatives employed in organizations, programmes and funds of the United Nations system.

F. Forms, confidentiality and filing procedures

24. At the United Nations staff members who are required to file annual financial disclosure or declaration of interest statements are required to do so in respect of the period from 1 January to 31 December of the previous year. All statements are lodged with the Ethics Office, except for the statements of staff in the Ethics Office, which are submitted to the Secretary-General.

25. Any person who is offered an appointment at a level or position that would require disclosure should file an initial financial disclosure or declaration of interest statement. The statement is submitted to the Ethics Office and is made in respect of the immediately preceding 12-month period. Failure to submit an initial statement may result in a withdrawal of the offer of appointment.

26. Staff members making disclosures are required to certify that the information disclosed is true, correct and complete to the best of their knowledge and belief.

27. The financial disclosure and declaration of interest statements are kept in a secure location. The statements are confidential and are accessible to and used only by the Secretary-General, the Ethics Office or by officers or persons specifically authorized in writing by the Secretary-General. The forms used to make financial disclosures and declarations of interest statements will be made available to the CCLM. Similar procedures would be adopted in FAO if it were decided to implement the system..

IV. IMPLEMENTATION OF THE REQUIREMENT IN FAO

28. As indicated above, in September/October 2006, FAO made various enquiries from other organizations of the United Nations system as to whether they intended to implement a similar requirement. Except for the World Bank and the International Monetary Fund, none of the main Specialized Agencies had, at the time, introduced such an elaborate programme as the United Nations. A few organizations of the system, however, had introduced comparable systems. In all cases, the identification of the office entrusted with the implementation of the system, as well as all relevant practical issues associated with it, had raised much discussion. In a few organizations a pragmatic approach to the matter had been taken. The experience of these organizations, outlined below, would be useful in considering any proposals for FAO.

A. Information received from other organizations of the United Nations system

29. The World Health Organization established a system of “*declaration of interest for designated staff*” (not a system of financial disclosure strictly speaking as the United Nations did). The declarations are received by the Legal Office and are reviewed by the Legal Counsel and a Principal Legal Officer, in consultation with the Director-General’s Office as necessary. The final decision on any conflict is taken by the Director-General⁶. It would seem to a large extent that WHO, which acquired substantial experience in the implementation of a system of declaration of

⁶ Communication of 1 December 2006.

interest for experts serving in scientific and technical committees, extended to its staff a system modelled on the one applied in respect of experts.

30. The Staff Rules of the International Maritime Organization contain generic provisions on outside activities and interests, including a general requirement whereby “*a staff member who has occasion to deal in his or official capacity with any matter involving a business concern in which the staff member holds a financial interest shall disclose the measure of that interest to the Secretary-General*”. However, it does not seem that this requirement is implemented in a systematic manner. The reporting of any such possible conflict of interest is made to the Human Resources Division⁷.

31. By November 2006, the International Labour Organization had introduced Circular N° 662 of 26 April 2006 entitled “*Ethics in the Office*”. This Circular had established an “Ethics Office function” which was entrusted to the Deputy Legal Adviser specifically designated by name. The Circular provides that “*to assist in the prevention of conflicts of interest, each official shall, without prejudice to the obligation to obtain permission to undertake certain outside activities (...) complete a Disclosure of Interests Form (see Annex B) and submit it to HRD (Human Resources Division) upon initial appointment and regularly thereafter at intervals announced by the Office. These forms will be confidential and will therefore be placed in the second part of the personal file of each official*”. Annex B to the Circular contains a fairly simple disclosure of interests form, that is substantially simpler than the form used at the United Nations. The Circular also states: “*officials are reminded that when confronted by a situation that could lead to a perception of a conflict of interest, they must disclose that interest to their immediate supervisor and refrain from any further involvement in that situation*”. However, in November 2007, FAO was informed that the issue was still under review. In particular, the question of whether a financial disclosure statement should be introduced was being considered by the “*Treasurer and Financial Comptroller*” as well as a number of related issues such as “*the level of detail to be included in the disclosures, the minimum rank of the officials (...) concerned, the inclusion of officials below that rank, but particularly exposed, the possible need to amend (the) Staff Regulations, the unit (or outside firm) supposed to be responsible for safe-keeping and review*”⁸.

32. At the International Fund for Agriculture Development, the matter was still under discussion and no decisions had yet been taken⁹. UNESCO had also indicated by that time that there were plans to introduce the system, but no decision had yet been taken¹⁰. The International Atomic Energy Agency also informed that the matter was under consideration, but that no decision had yet been taken¹¹. The World Meteorological Organization advised that they had introduced both a financial disclosure statement and a declaration of interest statement. The system, which was introduced with effect from 23 August 2006, is largely based on the one followed at the United Nations. The financial disclosure statement applies to categories of staff comparable to those to which the requirement applies at the United Nations and the statements are referred to the Office of the Secretary-General. Declaration of interest statements are required from staff members serving on appointments of short duration or persons employed under special

⁷ Communication of 21 November 2006.

⁸ Communication of 1 November 2006.

⁹ Communication of 19 October 2006.

¹⁰ Communication of 22 September 2006.

¹¹ Communication of 25 September 2006.

services agreements who perform functions comparable to those of staff members required to submit a financial disclosure statement. These declarations of interest are referred to the Internal Oversight Office together with the acceptance of the contract¹².

33. The World Intellectual Property Organization was examining the matter but had not yet introduced any rules. There were tentative proposals that the system would be entrusted to the Legal Office¹³.

B. Proposals for the implementation of the requirement of a declaration of interest in FAO

34. It is proposed that FAO should, as indicated, proceed with the amendment of its Staff Regulations.

35. The implementation of a “*full-fledged*” system such that in force at the United Nations, involving both financial disclosure statements and declarations of interest statements, would not be feasible at present. There would be a need to establish an Ethics Office, as was the case at the United Nations, and this office would have to be entrusted with adequate means in order to be able to receive and make a preliminary review of a large number of financial disclosure statements¹⁴, in addition to the performance of other functions entrusted to it. Because of the specialized nature of the expertise required to implement the system, there would be a need, as is also the case at the United Nations, to rely on the services of a reputed outside financial reviewer. The requirement of confidentiality in the operation of the whole system would have to be guaranteed which would perhaps require dedicated staff given the large number of statements to be reviewed. The immediate introduction of such a sophisticated and elaborated system might not be justified in the light both of the current situation of the Organization and the fact that no instance of conflict of interest involving any official of the Organization has come to light in FAO for a substantial number of years. In this connection, it appears that aside from the United Nations and a small Specialized Agency¹⁵, no organization of the United Nations has so far established the “full-fledged” requirement of financial disclosure. Indeed, on the basis of the information received by FAO and reviewed above, the larger Specialized Agencies have only, at least for the time being, introduced a simplified system of declaration of interest. This system is comparable to that which is applied in FAO in respect of experts appointed in a personal capacity.

¹² Communication of 22 September 2006.

¹³ Communication of 22 September 2006.

¹⁴ At the time when this document is being completed (end of February 2007) there are in FAO 171 staff members holding the grade D-1 and above in all locations and with posts financed from all sources of funding. There would be other staff members required to file financial disclosure statements every year. The number of financial disclosure statements would therefore be fairly high and would certainly exceed 200 per year.

¹⁵ Cf. paragraph 32.

36. In view of the above, it is proposed to take a pragmatic approach towards the implementation of the system, consistent with existing provisions of the Staff Rules as may need to be revised by the Director-General¹⁶. Therefore, as a first step, FAO would start implementing a system of declaration of interests, as is the case with the above mentioned Specialized Agencies, in respect of the staff members referred in Section III. A. The system would be introduced progressively, through a set of administrative procedures, taking into account all relevant circumstances and current constraints, including budgetary constraints. The declaration of interest would be required upon initial appointment, and regularly thereafter at such intervals as would be required by the Organization. It is proposed that after a few years of implementation of the system it be subject to reassessment by the CCLM which would then make a determination as to whether, in the light of the experience gained in FAO as well as experience gained by the organizations of the system, a “*full fledged system*” of financial disclosure should be introduced. During this period where FAO will be implementing a system of declaration of interest and pending a reassessment of its experience, FAO will report to the CCLM any issue of a legal or institutional nature that might warrant the attention of the Committee.

37. It should be noted that the implementation of the system in respect of WFP staff will be a matter for the Programme in line with delegated authority entrusted to the Executive Director in the management of the staff of the Programme.

V. SUGGESTED ACTION BY THE COMMITTEE

38. The CCLM is invited to review this document and make such comments and observations as it would deem appropriate.

39. The CCLM is in particular invited:

- (a) To review the proposed amendments to the Staff Regulations and recommend their approval to the Council.
- (b) To endorse the proposal that the Director-General should take a pragmatic approach towards the implementation of the system, by starting the implementation of a system of declaration of interest along the lines of the system being followed by other Specialized Agencies of the United Nations system. The experience gained would be reassessed by the CCLM after a reasonable period of time and a determination would be made as to whether a system of financial disclosure should be introduced.
- (c) To note that during the period where the Organization would be implementing a system of declaration of interest, the Director-General will report to the CCLM any relevant issue of a legal or institutional nature warranting its attention.

¹⁶ The Director-General has authority to amend the Staff Rules and issue administrative procedures thereunder.