

**Co-Chairs' Aide Mémoire of  
CoC-IEE Joint Meeting Working Group II and Working Group III  
Friday 28 March 2008, 9.30 – 12.30  
Ramalingam Parasuram, Lamya Al-Saqqaf and Natalie Feistritz Co-Chairs**

- 1) **Programme and Budget Cycle:** Members resumed discussions on proposed changes to the programme and budget cycle. Management provided a proposal for a new cycle of the Governing Bodies including the preparation and consideration of strategy programme and budget documents (diagrams attached). Comparator information was provided on the cycle at WHO. The Working Groups agreed that the Programme and Budget Cycle should be designed with a session of the FAO Conference in May-June of the second year of each biennium which would decide the budget level and the basic programme of work for the next biennium. Fine tuning and adjustment of the programme of work and budget allocations would take place in Council following Conference's approval of the overall budget level.
- 2) Members thus welcomed the management proposals for the programme and budget cycle, noting their conformity to previous discussions and further agreed that:
  - a) the Regional Conferences should precede the Technical Committees in order to better reflect regional priorities and concerns. Also, given the enhanced importance of the Regional Conferences, some Members considered that they warranted additional resources;
  - b) a Council session at the end of Year 1 of the biennium could examine the Priority Themes, overall programme direction, etc.. This would not imply an exhaustive reconsideration of these, but rather allow for monitoring and readjustments;
  - c) a meeting of Members in the early part of the year 2 of the biennial cycle could usefully examine the priority themes and overall extra-budgetary requirements, improving the mobilization of resources and the integration of extra-budgetary funding and helping to address predictability of extra-budgetary provision. The meeting would be open, bringing together all interested Members and also interested donors, in addition to the bilateral donors which would be represented through their national delegations; and
  - d) the Programme and Finance Committees would support the Council in monitoring trends and modifications in the programme of work during the biennium.
- 3) Members requested management to provide for further consideration by Working Group III:
  - a) a revised elaboration of the cycle, taking into account comments and conclusions of the Working Groups to date; and
  - b) clarification of the level of detail proposed for consideration by the Conference; in this regard, an example of the results hierarchy, demonstrating how an Organizational Result might be presented with associated targets, indicators and resources, would be helpful.
- 4) **Audit:** Members welcomed the measures taken to ensure effective audit functions in the Organization. Management agreed in general with the IEE Recommendations and noted that many have been or are in the course of implementation. Members noted the high standards of audit in FAO and supported continued development of more *ex post* control, transparency, coherence within the UN system and independence and autonomy of the audit function (there

should be guarantee of the autonomy of the office of the Inspector-General in budget and staffing):

- a) There was general agreement that the Governing Bodies should examine the internal audit workplan; and
- b) Management noted that office of the Inspector-General was in the process of a review to end membership in all decision making committees within FAO in order to limit any potential conflict in interest.

5) **Enterprise Risk Management Framework:** Members agreed on the need for a corporate-wide Enterprise Risk Management Framework but requested clarification as to the costs. Management indicated that in house expertise could not establish such a framework, which would have to proceed in phases.

6) **Ethics Committee:** Members supported early establishment of an Ethics Committee and requested clarification on the decision to hire a dedicated staff person before establishing the Committee. Management noted the example of WFP, where a staff person is under recruitment first in order to establish the basis for building an effective committee.