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FINANCE COMMITTEE

Hundred and Thirty-eighth Session

Rome, 21 - 25 March 2011

Progress on the Financial Disclosure Programme

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

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EXECUTIVE SUMMARY

- As requested by the Finance Committee at its 135th Session in October 2010, this document provides an update on progress on the implementation of the Financial Disclosure Programme. A Working Group, operating with the support of the external consultant Ernst & Young, has been established to implement the Programme and, in that context, the Working Group has reviewed similar programmes adopted by other organizations.
- The Working Group has: (a) defined at a high level the workflow for the management of financial disclosure and assigned responsibilities to its members; (b) drafted a questionnaire; (c) drafted a guide to the questionnaire; (d) discussed and articulated the definition of conflict of interest; and (e) reviewed and identified risk criteria which are relevant to the participation in the Programme of some categories of employees other than staff graded D-1 and above.
- Between March and May 2011, the Working Group will: (a) develop a common approach for the review of disclosure; (b) develop training materials and run training events and workshops; (c) roll out a communication plan; and (d) initiate the pilot phase scheduled to start by end of May 2011.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of the information provided in this document.

Draft Advice

- **The Finance Committee takes note of the information provided on progress on implementation of the Financial Disclosure Programme.**

1. The objective of this paper is to provide an update on implementation of the Financial Disclosure Programme by highlighting what has been achieved so far, what still has to be done and what are the main challenges ahead.
2. Since the last session of the Finance Committee an Inter-Departmental Working Group has been established and a Financial Disclosure Project Plan with defined roles and responsibilities has been adopted (see Annex 1).
3. After reviewing various models of financial disclosure adopted by other organizations, and bearing in mind the need to implement a system tailored to meet the needs of FAO, it was decided to proceed with an approach similar to that applied by IFAD. This approach is based on a certification of adherence to the Organization's internal standards and regulations.
4. The Working Group is proposing to implement the Financial Disclosure Programme in a stepwise approach, in accordance with the roadmap endorsed by the Finance Committee at its 135th Session, to ensure appropriate change management. A pilot would be performed with the participation of a restricted number of employees, and the Programme will then be extended to a broader spectrum of staff members.
5. In addition, in order to make the Programme cost effective, it was also agreed by the Working Group to involve in the pilot only staff members at grade D-1 and above and some categories of employees identified as at "high risk" (for example, those working in the procurement function or in the treasury). It was also agreed to extend the participation to the Financial Disclosure Programme to the spouse(s) and to the dependent children aged 21 and under.
6. The Working Group has thus far accomplished the following:
 - a) Defined the workflow for the management of the Financial Disclosure Programme;
 - b) Drafted a questionnaire which is currently under review;
 - c) Drafted a guide to the questionnaire;
 - d) Identified those risk criteria which are relevant to the participation in the Financial Disclosure Programme for some categories of employees other than the staff graded D-1 and above.
7. In relation to the change management aspects of the Project, a representative of the Culture Change Team has been included in the Working Group to ensure that the activities of both teams are fully aligned, as the Financial Disclosure Programme will present a milestone in the culture change of FAO.
8. The Working Group in the coming weeks will be:
 - Developing a common approach to review relevant aspects of disclosure;
 - Developing training materials and run training events and workshops;
 - Rolling out the communication plan in collaboration with the Office of Corporate Communications and External Relations;
 - Initiating the pilot.
9. The pilot is scheduled to be launched in May 2011.

Annex 1

Activity	Tasks	Timelines	
		Start	End
Questionnaire and FAQs	Prepare questionnaire, and a related guide based on the Financial Disclosure Programme, including frequently asked questions (FAQs)	Feb-20	Apr-30
Rules and Regulations	Collate all relevant rules and regulations upon which the Financial Disclosure Programme is based, ensuring these are consistent with UN and national legal frameworks	Mar-30	Apr-15
Positive declarations	Identify indicators to define a declaration as "positive," and definition of a standardized approach to resolve potential conflict of interest	Feb-28	May-15
Non-compliance	Define administrative and disciplinary measures to be introduced in case of non-compliance	Apr-10	Apr-15
Identify Staff	Define risk criteria for classification of employees, and select employees to participate in the Pilot	Mar-15	Apr-30
Communication and Training	Develop internal communication and training plan, and run training and communication events before during and after the Pilot	Feb-28	May-30
Launch Pilot	Initiate the pilot phase of the Financial Disclosure Programme Pilot	May-30	