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para la  
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## FINANCE COMMITTEE

### Hundred and Forty-seventh Session

Rome, 5 - 9 November 2012

**Review of Article XIV Statutory Bodies with a view to allowing them to exercise greater financial and administrative authority while remaining within the framework of FAO**

**Extract from the Report of the 95th Session of the Committee on Constitutional and Legal Matters**

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**Extract from the Report of the 95<sup>th</sup> Session of the Committee on Constitutional and Legal Matters (Rome, 8 – 11 October 2012)**

[...]

**VI. Review of Article XIV Statutory Bodies with a view to allowing them to exercise greater financial and administrative authority while remaining within the framework of FAO**

15. The CCLM examined document CCLM 95/12 “*Review of Article XIV statutory bodies with a view to allowing them to exercise greater financial and administrative authority while remaining within the framework of FAO*”. The CCLM acknowledged that the matter was complex, insofar as bodies established by treaty under Article XIV of the Constitution were different depending on their constituent instruments. The CCLM noted that document CCLM 95/12 had been prepared in response to IPA Action 2.69 and was based on an earlier document reviewed by the CCLM in 2009 and by the Council in October 2009. The CCLM regretted that proposals made at the time were not implemented.

16. The CCLM agreed that it was essential to identify bodies established under Article XIV of the Constitution which would benefit from the facilities foreseen in the document. Eventually, the CCLM noted the views of the secretariat that it could be counterproductive to establish an exhaustive list of these bodies and that these should be identified on the basis of criteria such as their funding mechanisms, their functional needs and legal authority as defined in the constituent instruments, the conditions of appointment of their secretaries and their accountability to the bodies in question. Examples of these bodies are the Indian Ocean Tuna Commission, the General Fisheries Commission for the Mediterranean and the International Treaty on Plant Genetic Resources for Food and Agriculture.

17. As a general guiding principle, the CCLM held the view that increased delegation of authority to bodies under Article XIV of the Constitution could be considered provided that the secretariats of those bodies be adequately staffed and appropriate oversight mechanisms by the Organization be in place. The CCLM recommended that a review be undertaken by the secretariat to examine and determine, in consultation with the secretariat of bodies, whether the above conditions (adequacy of staffing and appropriate oversight mechanisms) are in place.

18. As regards external relations of bodies under Article XIV of the Constitution, the CCLM was of the view that secretaries of bodies referred to in paragraph 16 should travel on business in accordance with the statutory body work programme and allocated budget.

19. As regards conclusion of arrangements with other organizations, the CCLM noted that a procedure approved by the FAO Council in 2004 had been operating satisfactorily and seemed to respond to the needs of bodies under Article XIV of the Constitution, while allowing for coherence between the activities of those bodies and those of FAO.

20. On budgetary, financial and audit issues, the CCLM considered that these matters should be examined by the Finance Committee. The CCLM noted that the Finance Committee should comment on the issue of project servicing costs. As regards requests for “third party audits”, the CCLM noted that these were not possible under the Basic Texts of the Organization. However, it was possible for the Finance Committee to request the External Auditor of FAO to perform certain specific examinations under Financial Regulation 12.6, provided that costs be covered by the body in question.

21. As regards human resources matters, the CCLM noted that these were mainly within the purview of the Finance Committee and could be addressed through Management action. The CCLM underlined that it was essential to make adjustments to Performance Evaluation Management System (PEMS), insofar as some secretaries were directly under the operational authority of Article XIV bodies and not of FAO. Hence, performance assessments of secretaries of such bodies should on technical and operational matters be done by the membership of their governing bodies.

22. As regards channels of communication with Governments and official correspondence, the CCLM noted an earlier proposal that the Correspondence Manual be adjusted to reflect the particular situation of bodies under Article XIV of the Constitution, but this had not been done. The CCLM requested that this proposal be implemented.
23. As regards relations with donors, the CCLM noted the proposal that facilities regarding resource mobilization be given to secretaries of bodies under Article XIV of the Constitution, subject to a need for overall coherence in resource mobilization activities of FAO. The CCLM also stressed that in some cases the secretariats were under a legal obligation to implement funding strategies flowing directly from the constituent instruments or from decisions of the bodies and, therefore, had to maintain direct relations with donors.
24. As regards the organization of meetings, including the conclusion of Memoranda of Responsibilities regarding such meetings, insofar as these involved issues related to the universal status of FAO and privileges and immunities they should continue to be concluded by or on behalf the Director-General.
25. As regards the servicing of meetings, including possible outsourcing of some activities such as translation, the CCLM noted that the matter was mainly within the purview of the Finance or Programme Committee and that there was, in any case, a need for quality control by FAO. The CCLM did not agree with the recommendation that, in order to reduce costs, some meetings be held in a limited number of languages.
26. As regards the issue of participation by non-governmental organizations (NGOs) and other stakeholders in meetings of FAO, including meetings of statutory bodies, the CCLM recommended that the current flexible, pragmatic practice continue. The CCLM agreed that, for the time being, no general rules on NGO participation applicable to all meetings of the Organization should be established in view of the differentiated nature of NGOs and stakeholders, the currently evolving situation, the different needs and status of the meetings of the Organization, as well as potential lack of consensus on the matter among the membership. In this particular regard, the CCLM observed that it would be difficult to extend to other bodies of the Organization the regime currently applied to the Committee on World Food Security.
27. As regards the issue of the reporting relationship with the main bodies of FAO, the CCLM considered that in view of the specific legal status of each body under Article XIV of the Constitution, the scope and purpose of reporting should be primarily defined by each body taking into account as appropriate the views of the Organization. The CCLM considered that in some cases, reporting to the Conference is justified.
28. The CCLM noted that the review set out in document CCLM 95/12 would be referred to the forthcoming sessions of the Programme and Finance Committee and requested that its deliberations be made available to these Committees.

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