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FINANCE COMMITTEE

Two Hundred and Third Session

Rome, 10-14 March 2025

Status of Outstanding Recommendations of the Finance Committee

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

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EXECUTIVE SUMMARY

- The report presents the updated status of outstanding recommendations made by the Finance Committee at its previous sessions.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

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

Draft Advice

- **The Committee took note of the *Status of Outstanding Recommendations of the Finance Committee* and looked forward to receiving an updated version of the document at its next regular session.**

Recommendation	Status
MONITORING FINANCIAL POSITION	
Report of the 199th Session of the Finance Committee – document CL 175/11	
<p>The Committee (on the <i>Financial Position of the Organization</i>) <u>requested</u> Management to provide its assessment of FAO’s significant financial risks and mitigation strategies at future sessions of the Committee.</p> <p>– Paragraph 8</p>	<p>Additional information on significant financial risks and mitigation strategies will be presented to the Finance Committee at its November 2025 session.</p>
<p>The Committee (on the <i>2023 Actuarial Valuation of Staff Related Liabilities</i>):</p> <ul style="list-style-type: none"> • <u>encouraged</u> the efforts of Management to contain the cost of the health plans, including through integrating national health insurance schemes into ASMC, and <u>looked forward</u> to receiving information on the impact of these efforts at a future session, including on the cost of administering such schemes; • <u>welcomed</u> the update provided on the review of options to reduce the funding gap for ASMC liabilities and <u>recommended</u> that the analysis be further developed and presented at a future session, including through provision of information on the approaches already adopted or under consideration by other organizations of the United Nations common system. <p>– Paragraph 12</p>	<p>Additional information and analysis will be presented to the Finance Committee at its November 2025 session.</p>
Report of the 202nd Session of the Finance Committee – document CL 176/10	
<p>The Committee (on the <i>Financial Position of the Organization</i>) noted that, as reported to its previous sessions, the overall deficit in the General Fund was primarily due to unfunded charges for staff-related liabilities, and <u>requested</u> Management to propose viable options, at the November 2025 session of the Finance Committee, other than reinstating a special assessment, to address the underfunding of After Service Medical Coverage liabilities in coordination with other organizations of the United Nations (UN) common system.</p> <p>– Paragraph 8</p>	<p>Additional information and analysis will be presented to the Finance Committee at its November 2025 session.</p>

Recommendation	Status
BUDGETARY MATTERS	
Report of the 202nd Session of the Finance Committee – document CL 176/10	
<p>The Committee (on the <i>Update on progress to develop a robust business plan and roadmap for efficiency gains and savings initiatives</i>):</p> <ul style="list-style-type: none"> • <u>requested</u> Management to explore additional ways to mainstream efficiency and effectiveness considerations within the Organization, including capacity building and incentivizing staff, and <u>looked forward</u> to information on this in future reports; • <u>requested</u> Management to include a top-line description of all efficiency gains in future reports, while continuing to break down the various quantitative and qualitative improvements; • <u>requested</u> that the reporting on efficiency gains and savings be expanded to include additional details on planned initiatives, targets and future expected efficiency gains and savings, as well as outcomes; • <u>welcomed</u> that a section on efficiencies and gains would be part of the next Programme of Work and Budget (PWB) and <u>recommended</u> that key performance indicators be developed as part of the results framework to monitor and evaluate progress in this area. <p>– Paragraph 13</p>	<p>Efficiency gains and savings initiatives will be presented to the Finance Committee at its March 2025 session in the <i>Programme of Work and Budget 2026-27</i> and thereafter in corporate reporting documents.</p>
<p>The Committee (on the <i>Update on analysis of funding to FAO – Risks, opportunities and transparency</i>) <u>looked forward</u> to information being presented in the Medium Term Plan 2026-29 and PWB 2026-27 on the Organization’s strategy to mobilize effective and sustainable funding through voluntary contributions in order to expand the funding base, and on how the Organization was addressing the challenges and risks associated with supporting an expanded portfolio of voluntary funded projects.</p> <p>– Paragraph 15</p>	<p>Additional information will be presented to the Finance Committee at its March 2025 session in the <i>MTP 2026-29/PWB 2026-27</i>.</p>

Recommendation	Status
HUMAN RESOURCES	
Report of the 199th Session of the Finance Committee – document CL 175/11	
<p>The Committee (on the <i>Human Resources Annual Report 2023</i>) <u>looked forward</u> to the presentation of the new HR Strategic Action Plan 2024-27, and the policy covering all forms of workplace misconduct, to the Committee at its March 2025 session.</p> <p>– Paragraph 16</p>	<p>The <i>Human Resources Strategy and Action Plan 2025-28</i> will be presented to the Finance Committee at its March 2025 Session.</p> <p>The policy on “Prevention and response to harassment, sexual harassment, abuse of authority and discrimination” will be published shortly and will be presented to the Finance Committee at its November 2025 session.</p>
Report of the 202nd Session of the Finance Committee – document CL 176/10	
<p>The Committee (on the <i>Assessment of Recruitment Process</i>):</p> <ul style="list-style-type: none"> • <u>looked forward</u> to a further update on the actions being taken to improve the recruitment process, and their impacts, as part of the presentation of the Human Resources (HR) Annual Report and the HR Strategy and Action Plan to the March 2025 session of the Finance Committee; • <u>requested</u> that the report by the external contractor on the assessment of the recruitment process be shared with Members of the Finance Committee and <u>urged</u> Management to formally respond to the recommendations in the report. <p>– Paragraph 17</p>	<p>Additional information will be presented to the Finance Committee at its March 2025 session in the <i>Human Resources Strategy and Action Plan 2025-28</i>.</p>
<p>The Committee (on the <i>Update on Procedures for the Hiring of Retired Staff Members</i>):</p> <ul style="list-style-type: none"> • <u>recommended</u> that Management work to improve succession planning processes across the Organization to mitigate the reliance on retired staff; • <u>requested</u> that statistics and rationale on the hiring of retired staff members be included as part of the workforce analytics presented with the HR Annual Report, including the information presented in Table 1 of document FC 202/7, along with the number and duration of UN Pensioner contract renewals or extensions. <p>– Paragraph 19</p>	<p>Additional information and analysis will be presented to the Finance Committee at its March 2025 session in the <i>Human Resources Annual Report – 2024</i>.</p>

Recommendation	Status
<p>The Committee (on the <i>Human Resources Talent Outreach Plan</i>) encouraged the HR Division to implement the measures outlined in the Plan, while:</p> <ul style="list-style-type: none"> • requesting more information on the proposed Centre of Excellence for strategic talent outreach <u>support</u> in headquarters; • looked forward to updates on progress to be presented at future sessions of the Committee. <p>– Paragraph 21</p>	<p>Additional information and analysis will be presented to the Finance Committee at its May 2026 session.</p>
<p>The Committee (on the <i>Report on Geographic Representation</i>) requested more information to be presented on the region-wise distribution and deployment of Regular Programme-funded posts, Senior Management and Affiliate Workforce at the March 2025 session of the Finance Committee.</p> <p>– Paragraph 23</p>	<p>Additional information will be presented to the Finance Committee at its March 2025 session in the <i>Human Resources Annual Report – 2024</i>.</p>
OVERSIGHT	
Report of the 199th Session of the Finance Committee – document CL 175/11	
<p>The Committee (on the <i>2023 Annual Report of the Ethics Office</i>):</p> <ul style="list-style-type: none"> • <u>urged</u> Management to give due attention to monitoring and addressing risks of unethical conduct perpetrated among and against FAO’s affiliate personnel and <u>requested</u> the Ethics Office to continue to monitor these risks, in particular in Decentralized Offices; • <u>appreciated</u> the need for further work to strengthen risk management activities on conflicts of interest, in all processes and all layers of the Organization, and <u>looked forward</u> to seeing this in the 2024 Annual Report of the Ethics Office. <p>– Paragraph 22</p>	<p>Additional information will be presented to the Finance Committee at its March 2025 session in the <i>2024 Annual Report of the Ethics Office</i>.</p>
Report of the 199th Session of the Finance Committee – document CL 175/11	
<p>The Committee (on the <i>Appointment of the External Auditor for the period 2026-31</i>):</p> <ul style="list-style-type: none"> • <u>requested</u> that the Secretariat initiate the selection process by inviting proposals from eligible Auditors-General of Members of FAO; • noting that Financial Regulation 12.8 allows for an External Auditor to engage the services of a subcontractor, <u>requested</u> that Management’s solicitation of proposals specifically include a request that candidates clarify how they would assure Members of a subcontractor’s adherence to all selection criteria applied to the lead auditor. <p>– Paragraph 28</p>	<p>An update on the selection process will be presented to the Finance Committee at its March 2025 session.</p>

Recommendation	Status
Report of the 202nd Session of the Finance Committee – document CL 176/10	
<p>The Committee (on the <i>Progress Reports on Implementation of Recommendations of the External Auditor and the FAO Oversight Advisory Committee</i>) <u>requested</u> Management to submit the roadmap on risk maturity to the Finance Committee for its consideration at its March 2025 session, as well as an update on the status of the Enterprise Resource Planning system.</p> <p>– Paragraph 27</p>	<p>An updated version of FAO’s <i>Risk Management Roadmap</i> will be reviewed by the Oversight Advisory Committee in the first quarter of 2025 and presented to the Finance Committee at its November 2025 session.</p> <p>An update on the status of the Enterprise Resource Planning system will be presented to the Finance Committee at a future session.</p>
<p>The Committee (on the <i>Report of the Joint Inspection Unit of the United Nations System: “Review of management and administration in the Food and Agriculture Organization of the United Nations” (JIU/REP/2023/5) – Update on progress</i>) <u>looked forward</u> to considering a further update at its March 2025 session.</p> <p>– Paragraph 29</p>	<p>Additional information will be presented to the Finance Committee at its March 2025 session.</p>
<p>The Committee (on <i>Recommendation 7 of the JIU Report “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (JIU/REP/2020/1)</i>):</p> <ul style="list-style-type: none"> • <u>looked forward</u> to the convening of further informal working sessions in order to provide inputs to the draft procedures; • <u>recommended</u> that the Legal Counsel use the observations and recommendations arising out of the reports of the Finance Committee and CCLM and the informal joint working sessions, as well as the written inputs from Members, to prepare a revised version of the procedures for consideration by the CCLM and the Finance Committee at their sessions in spring 2025. <p>– Paragraph 31</p>	<p>Informal sessions were convened on 30 January 2025 and 17 February 2025.</p> <p>An update will be presented to the Finance Committee at its March 2025 session.</p>
IMPROVED METHODS OF WORK AND EFFICIENCY OF THE FINANCE COMMITTEE	
<p>The Committee (on the <i>Status of Outstanding Recommendations of the Finance Committee</i>) <u>recommended</u> that this item be included in the timetable for future sessions of the Committee as the first item for its consideration following adoption of the agenda and timetable.</p> <p>– Paragraph 32</p>	<p>The sequencing of this item will be reflected in the timetable presented to the Finance Committee starting from its March 2025 session.</p>

Recommendation	Status
<p>The Committee on (Working Methods of the Finance Committee):</p> <ul style="list-style-type: none">• <u>recommended</u> that informal induction sessions be organized for newly elected Members of the Committee;• <u>requested</u> the Secretariat to explore ways of enhancing the time available to the Committee for considering the items presented to it and to share potential options with the Committee. <p>– Paragraph 33</p>	<p>Induction sessions will be scheduled following the appointment of newly elected Members of the Committee in July 2025.</p> <p>Secretary of Finance Committee to present options to the Finance Committee during its future sessions.</p>