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FINANCE COMMITTEE

Two hundred and second Session

Rome, 11-15 November 2024

**Progress Report on Implementation of Recommendations of the
FAO Oversight Advisory Committee**

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

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EXECUTIVE SUMMARY

- This report outlines the progress by the Secretariat on implementation of recommendations made by the Oversight Advisory Committee (OAC).
- This report provides an update on reporting on implementation of recommendations of the Oversight Advisory Committee as included in *Annex 2* of document [FC 199/7](#) *FAO Oversight Advisory Committee – 2023 Annual Report*.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to review the document, and provide its guidance as deemed appropriate.

Draft Advice

The Committee:

- **noted the status of implementation of the recommendations of the Oversight Advisory Committee;**
- **welcomed the progress made in closing recommendations of the Oversight Advisory Committee; and**
- **looked forward to further updates on progress in implementing recommendations at its next Session.**

1. This document provides a summary of the status of implementation of the Oversight Advisory Committee (OAC) recommendations at the time of writing this report as shown in *Table 1*.
2. *Table 2* presents details of the latest status of implementation of Oversight Advisory Committee recommendations.

Table 1. Status of implementation of Oversight Advisory Committee recommendations

Year	Recommendations issued	Implemented (as reported in document FC 199/7)	Recommendations implemented (as in document FC 202/12.2)	Recommendations in progress
2020	13 ⁽ⁱ⁾	12	0	1
2021	9 ⁽ⁱ⁾	9 ⁽ⁱ⁾	-	0
2022	6 ⁽ⁱⁱ⁾	2	2	2
2023	10	2	1	7
2024 ⁽ⁱⁱⁱ⁾	3	-	1	2
Total recommendations	41	25	4	12

⁽ⁱ⁾ *Of which one recommendation was repeated in subsequent sessions and therefore calculated only once*

⁽ⁱⁱ⁾ *One recommendation was separated for better reporting on action taken toward implementation and therefore the sum of recommendations issued was increased from 4 (FC 199/7) to 6*

⁽ⁱⁱⁱ⁾ *The 68th meeting of the OAC (1-3 October 2024) is not included in this report*

Table 2: Status of implementation of Oversight Advisory Committee recommendations

● COMPLETED		● BEING FINALIZED		● ONGOING	
OVERSIGHT AND INTERNAL CONTROL					
1.	OAC 66 March 2024	●	<p>OAC: In relation to the FAO's work on due diligence, recommended that efforts in decentralized capacity building include building differentiated capacity in dealing with the private sector, NGO and Foundations, and others. Encouraged close collaboration with Ethics, in particular for outside activities and in preventing conflicts of interest.</p> <p>FAO: With the rollout of the digitalized due diligence process within the Customer Relationship Management (CRM) ongoing, data collection and analysis capabilities will be enhanced and support the preparation of targeted guidelines to manage risks differentiated according to the various types of entity (sector, NGO and Foundations, etc.), as well as inform capacity-building exercises with decentralized decision-makers.</p>		
2.	OAC 65 December 2023	●	<p>OAC: Recommended the need for the policy on vendor sanctions to be updated.</p> <p>FAO: FAO Sanctions Procedures are to align, to the extent possible, to the Model Policy Framework on Vendor Sanctions (MPF) developed by the High-Level Committee on Management Procurement Network (HLCM-PN), as it provides a basis for the mutual recognition of sanctions by UN Agencies. The revised MPF is undergoing final reviews by UN Agencies legal departments prior to endorsement by the HLCM-PN. The final revision of FAO Sanctions Procedures will be completed upon finalization and endorsement of the MPF.</p>		
ENTERPRISE RISK MANAGEMENT (ERM)					
3.	OAC 66 March 2024	●	<p>OAC: Recommended that the definition suggested in the JIU Report on "Review of accountability frameworks in the United Nations system organizations" (JIU/REP/2023/3) in relation to prevention and detection of fraud and corruption be adopted in FAO's policy.</p> <p>FAO: This recommendation has been implemented as reflected in FAO's new Policy Against Fraud and Other Corrupt Practices (Administrative Circular 2024/13).</p>		
4.	OAC 65 December 2023	●	<p>OAC: Strongly recommended that the legal framework for anti-fraud preventions from 2015 be updated at the earliest juncture, and recommended to include segregation of duties measures, as well as conflict of interest in the updated anti-fraud policy.</p> <p>FAO: This recommendation has been implemented as reflected in FAO's new Policy Against Fraud and Other Corrupt Practices (Administrative Circular 2024/13).</p>		
5.	OAC 65 December 2023	●	<p>OAC: Recommended the identification of the risk owner(s) for FAO's risk framework, and focus on a mitigating action plan, including monitoring and mechanisms for risk escalation. Suggested FAO prepare an overarching road map to achieving a mature and robust risk management framework.</p> <p>FAO: The Core Leadership team has decided to remove risk owners for the top risks, noting instead that they are accountable for these as a team. Mitigating action plans will be further developed for priority risks. Risk escalation procedures have been defined in the new ERM policy.</p>		
6.	OAC 65 December 2023	●	<p>OAC: Recommended strengthening the capacity in country and regional offices to implement and embed the risk framework in the first and second lines of defense, drawing from OIG's recommendations for mitigating actions in their audit of this area.</p> <p>FAO: A training plan is under implementation, with Core Leadership, Regional Leadership and unit heads receiving dedicated training in the first half of 2024. FAOR training is expected to be completed in the second half of the year.</p>		
7.	OAC 65 December 2023	●	<p>OAC: Recommended that attention be paid in the new organizational models for country offices to clearly define the first and second line of defense roles, allow adequate segregation of duties; and potential expansion of support to country offices from the Shared Services Centre.</p> <p>FAO: As described in the document presented to the Regional Conferences, on the <i>Country Office Network – Current Status and Way Forward</i>, a set of models of country offices have been developed, reflecting the roles and exigencies of different situations, from large programmes to small operations, with funding involving a combination of sources. One aim of these structures is to provide adequate segregation of duties, with the support of alternative mitigating measures where required due to the small size of the offices.</p>		

	● COMPLETED	● BEING FINALIZED	● ONGOING
8.	OAC 65 December 2023	●	<p>OAC: Recommended that CSI produce a yearly report to senior management on cybersecurity challenges and mitigating action.</p> <p>FAO: The production of a yearly report to senior management is being implemented with the first release expected to be in the first quarter of 2025 reporting on 2024.</p>
INTERNAL AUDIT AND INVESTIGATIONS			
9.	OAC 65 December 2023	●	<p>OAC: Recommended continued attention by FAO on developments within the UN system concerning the provisions for a process and modalities for allegations of misconduct against a Director-General.</p> <p>FAO: During 2024, the OAC has continued to be informed of discussions in the Committee on Constitutional and Legal Matters and the Finance Committee and provided related guidance. The matter is presented for further discussion at the Autumn 2024 Sessions (docs. CCLM 121/4, FC 202/14 and FC 202/14 Add.1). The OAC will be informed of developments in these fora as they unfold.</p>
ETHICS AND OMBUDSMAN FUNCTIONS			
10.	OAC 55 July 2020	●	<p>OAC: Recommended the Ethics Office assume the responsibility for management of the gifts policy.</p> <p>FAO: The Ethics Office has submitted the revised draft to LEG following another round of internal consultation, and the document is currently being reviewed for approval in the Legal Office.</p>
HUMAN RESOURCES			
11.	OAC 66 March 2024	●	<p>OAC: In relation to ongoing transformational efforts of the HR function, recommended carrying out a staff survey to measure the impact of changes and stressed the importance of involving the staff representative bodies in the process. Recommended focus and proactive engagement on culture transformation, especially at managerial level.</p> <p>FAO: Preparations are ongoing for the launch of the third employee satisfaction survey.</p>
12.	OAC 62 October 2022	●	<p>OAC: Reiterated its concern over the number of issues raised with the Ethics and Ombuds Offices from affiliate personnel on perceived inequality of treatment.</p> <p>FAO: Regarding perceived inequality of treatment, it is noted that internal policies on misconduct covering harassment, sexual harassment and abuse of authority, as well as the Whistleblower Protection Policy, apply to all FAO personnel and complaints can be submitted by any affected employee, regardless of the type of contract. Members of the affiliate workforce can have access to the Ethics Officer in cases of alleged retaliation, to the Ombuds Office for mediation and informal dispute resolution, and to the Workplace Relations Officer in CSH in case of disputes on performance assessment. Consultants recruited under Manual Section 317 have access to the formal internal appeals process on a par with staff members. For Subscribers to Personnel Services Agreements recruited under Manual Section 319 and National Project Personnel recruited under Manual Section 375, they are entitled to pursue formal dispute resolution through UNCITRAL.</p>
13.	OAC 62 October 2022	●	<p>OAC: Recommended to rebalance the workforce through undertaking of medium- and long-term analyses of needs and funding, and suggested that some workforce planning activities could be streamlined by clarifying roles and responsibilities of the business units and the HR Division.</p> <p>FAO: FAO continues to follow the work at the CEB/UN level regarding the review of contractual modalities and will contribute as appropriate to relevant discussions of the International Civil Service Commission (ICSC). In the shorter term, FAO has completed its review of the international non-staff/affiliate workforce guidelines and procedures, which have been newly issued with a view to streamlining procedures and improve conditions of service where possible, as well as meet organizational needs. The 2024 workplan includes a similar review of the locally recruited non-staff/affiliate workforce guidelines and procedures to meet similar goals. Updates on this matter will continue to be provided.</p>

● COMPLETED		● BEING FINALIZED	● ONGOING
14.	OAC 62 October 2022	●	<p>OAC: Recommended the Organization invest in supporting employees with burnout mitigation and stress management, as well as more dedicated efforts to addressing racism and racial discrimination and disability in FAO's policies.</p> <p>FAO: Investments have been made in stress management and counseling. The well-being of the workforce has continued to be a priority and is supported through initiatives like the International Employee Assistance Programme (IEAP) and the FAO Counsellor services. These programmes offer employees free, confidential, mental health support 24 hours a day, and along with other initiatives outlined below support the UN Mental Health and Well-being Strategy. In 2023, a Well-being Awareness Fair was held at headquarters with virtual participation from Decentralized Offices.</p> <p>FAO strives to create a workplace that is inclusive to employees with diverse backgrounds and perspectives, including equitable geographical and gender balance, as well as cultural, generational, multilingual and persons with disabilities. The Organization is committed to embracing this diversity in decision-making and practices to strengthen the performance of the Organization overall. FAO continues to fully support and participate in several UN initiatives such as the Task Force on addressing racism and promoting dignity for all in the United Nations, the Working Group on Diversity Equity and Inclusion, UN-Globe, the Mental Health and Wellbeing Strategy, the UN Disability Inclusion Strategy and UN system-wide Action Plan (UN-SWAP). The Disability Inclusion workspace in you@fao provides managers and employees with guidelines and resources for talent acquisition, and the management of persons with disabilities.</p>
15.	OAC 61 June 2022	●	<p>OAC: Agreed on the need to rationalize categories of employment and contractual modalities and suggested this be brought forward in coordination with other UN entities.</p> <p>FAO: FAO continues to follow the work at the CEB/UN level regarding the review of contractual modalities and will contribute as appropriate to relevant discussions of the International Civil Service Commission (ICSC).</p>
PROGRAMME AND BUDGET			
16.	OAC 65 December 2023	●	<p>OAC: Agreed the need for FAO to having a sustainable financial model and balance between Regular Programme and extrabudgetary resources, as being discussed in FAO's Governing Bodies.</p> <p>FAO: FAO closely monitors the status and trends affecting its extrabudgetary funding portfolio, especially given the current challenging and shifting resource mobilization landscape. A key initiative to deliver more strategic, targeted, and coherent actions has been the establishment of the Resource Mobilization Action Plan (ReMAP). FAO is also developing a set of possible actions to further support a strong financial model under an integrated funding model. A major focus has also been on increasing transparency regarding mobilized resources through improved data accessibility, information sharing, and clarifications to Members. A project dashboard has been developed and is located in a dedicated Transparency Portal on the FAO website's homepage, and FAO will host informal Member briefings on climate financing and resource mobilization for emergencies and resilience throughout 2024. The Finance Committee will discuss document <i>Update on analysis of funding to FAO – Risks, opportunities and transparency</i> (doc. FC 202/5) for further guidance.</p>