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منظمة  
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# FINANCE COMMITTEE

**Two hundred and second Session**

**Rome, 11-15 November 2024**

**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
<b>MONITORING FINANCIAL POSITION</b>	
<b>Report of the 199th Session of the Finance Committee – document CL 175/11</b>	
<p>The Committee (on the <i>Financial Position of the Organization</i>):</p> <ul style="list-style-type: none"> <li>• <u>noted</u> that the largest cause of the overall deficit in the General Fund was primarily due to unfunded charges for staff-related liabilities, and <u>requested</u> Management to provide additional details on other factors affecting the deficit in future reports;</li> <li>• noting that 80 percent of interest accrued on voluntary contributions was reimbursed to resource partners, the Committee <u>requested</u> detailed information with regard to its impact on the financial health of the Organization, to be presented at its next regular session;</li> <li>• <u>requested</u> Management to provide its assessment of FAO’s significant financial risks and mitigation strategies at future sessions of the Committee.</li> </ul> <p>– paragraph 8</p>	<p>Additional information on factors affecting the General Fund deficit and the impact on the financial health of the Organization of interest reimbursed to resource partners will be presented to the Finance Committee at its November 2024 session under item 2, <i>Financial Position of the Organization</i>.</p> <p>Additional information on significant financial risks and mitigation strategies will be presented to the Finance Committee at its March 2025 session.</p>
<p>The Committee (on the <i>2023 Actuarial Valuation of Staff Related Liabilities</i>):</p> <ul style="list-style-type: none"> <li>• <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;</li> <li>• <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.</li> </ul> <p>– paragraph 12</p>	<p>Additional information and analysis will be presented to the Finance Committee at its November 2025 session.</p>
<b>BUDGETARY MATTERS</b>	
<b>Report of the 199th Session of the Finance Committee – document CL 175/11</b>	
<p>The Committee (on the <i>Update on progress to develop a robust business plan and roadmap for efficiency gains and savings initiatives</i>) <u>looked forward</u> to receiving further information on the business plan and roadmap at its session in November 2024, including on the planned form of reporting on efficiencies and savings, both accrued and anticipated – paragraph 32</p>	<p>Additional information will be presented to the Finance Committee at its November 2024 session under item 4, <i>Update on progress to develop a robust business plan and roadmap for efficiency gains and savings initiatives</i>.</p>

Recommendation	Status
<p>The Committee (on the <i>Update on progress of the in-depth analysis relating to the balance between voluntary and assessed contributions</i>) <u>looked forward</u> to further information being provided by Management on the analysis and of this informing the Organization’s planning and reporting documents, with regular updates to be reported to Members through FAO’s informal and formal communication channels – paragraph 34</p>	<p>Additional information will be presented to the Finance Committee at its November 2024 session under item 5, <i>Update on analysis of funding to FAO – Risks, opportunities and transparency</i>.</p>
<p><b>HUMAN RESOURCES</b></p>	
<p><b>Report of the 199th Session of the Finance Committee – document CL 175/11</b></p>	
<p>The Committee (on the <i>Human Resources Annual Report 2023</i>):</p> <ul style="list-style-type: none"> <li>• noted Management’s work with an external contractor to identify gaps and bottlenecks in the recruitment process, and <u>requested</u> that the results of this assessment be presented to the next regular session of the Finance Committee;</li> <li>• <u>encouraged</u> greater transparency on former FAO staff hired as consultants in the Organization and <u>requested</u> information on the deployment, including the procedures governing their engagement, of such staff as consultants within FAO at its next regular session;</li> <li>• recalling its recommendation at the 195th Session of the Finance Committee for Management to develop an outreach plan to attract applicants from non-represented and under-represented countries to participate in the recruitment process, <u>requested</u> that the plan be developed and presented to the Committee at its next regular session;</li> <li>• <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;</li> <li>• noting that the underlying procedure determining the equitable geographical representation of human resources was more than two decades old, <u>requested</u> a detailed report on this matter at a future session, in order to better appreciate its application and changes required, if any, in the changing global context.</li> </ul> <p>– paragraph 16</p>	<p>Additional information will be presented to the Finance Committee at its November 2024 session under the following items:</p> <p>Item 6 <i>Assessment of Recruitment Process</i>;  Item 7 <i>Update on Procedures for the Hiring of Retired Staff Members</i>;  Item 8 <i>Human Resources Talent Outreach Plan</i>;  Item 9 <i>Human Resources Strategy and Action Plan 2025-28</i>; and  Item 10 <i>Report on Geographic Representation</i>.</p>

Recommendation	Status
<b>OVERSIGHT</b>	
<b>Report of the 199th Session of the Finance Committee – document CL 175/11</b>	
<p>The Committee (on the <i>Annual Report of the Ethics Office</i>):</p> <ul style="list-style-type: none"> <li>• <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;</li> <li>• <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.</li> </ul> <p>– paragraph 22</p>	<p>Additional information will be provided in the 2024 Annual Report of the Ethics Office to be presented to the Finance Committee at its March 2025 session.</p>
<b>Report of the 198th Session of the Finance Committee – document CL 174/9</b>	
<p>The Committee (on the <i>Progress Reports on Implementation of Recommendations of the External Auditor and the FAO Oversight Advisory Committee</i>) <u>recommended</u> that the summary table on the status of outstanding External Auditor recommendations include the categorization of recommendations as “fundamental”, “significant” and “merits attention” – paragraph 18</p>	<p>Additional information will be provided in the updated progress report to be presented to the Finance Committee at its November 2024 session under item 12.1, <i>Progress Report on Implementation of Recommendations of the External Auditor</i>.</p>
<b>Report of the 199th Session of the Finance Committee – document CL 175/11</b>	
<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"> <li>• <u>urged</u> members of the Finance Committee and CCLM to work together in the intersession period in advance of their fall 2024 sessions to provide express detailed guidance on the key components of draft investigation procedures identified by the Legal Counsel as requiring Members’ guidance, and <u>recommended</u> that the Chairpersons of each Committee serve as co-facilitators for these sessions with appropriate support from Management and advice from the Oversight Advisory Committee (OAC);</li> <li>• <u>looked forward</u> to considering draft procedures at its next regular session in November 2024.</li> </ul> <p>– paragraph 24</p>	<p>Draft procedures will be presented to the Finance Committee at its November 2024 session under item 14, <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>

Recommendation	Status
<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)</i>):</p> <ul style="list-style-type: none"> <li>• <u>requested</u> that Management provide its observations and reflections on the informal recommendations;</li> <li>• <u>requested</u> that regular updates on progress on formal and informal recommendations be provided to future sessions of the Committee until these recommendations have been addressed;</li> <li>• <u>requested</u> that, subject to the Council’s acceptance of the formal and informal recommendations to it, the Council request Management to produce papers in advance of the next Finance Committee, as appropriate, providing options and information needed for the Committee to give specific guidance to the Council in advance of the next Conference;</li> <li>• <u>looked forward</u> to further considering those recommendations that fall within its mandate, both formal and informal, at its next regular session in November 2024.</li> </ul> <p>– paragraph 26</p>	<p>An update will be presented to the Finance Committee at its November 2024 session under item 13, <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></p>
<p>The Committee (on the <i>Appointment of the External Auditor for the period 2026-31</i>):</p> <ul style="list-style-type: none"> <li>• <u>requested</u> that the Secretariat initiate the selection process by inviting proposals from eligible Auditors-General of Members of FAO;</li> <li>• 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.</li> </ul> <p>– paragraph 28</p>	<p>An update on the selection process will be presented to the Finance Committee at its March 2025 session.</p>