



COMMITTEE ON CONSTITUTIONAL AND LEGAL MATTERS
Ninety-first Session
Rome, 20 – 22 September 2010
TERMS OF REFERENCE AND COMPOSITION OF THE ETHICS COMMITTEE

I. BACKGROUND

1. The Immediate Plan of Action (IPA) for FAO Renewal approved by the Conference, at its Thirty-fifth (Special) Session, contains the following Action Matrix on Ethics.

“Appointment of an Ethics Officer, functioning of the office, and training of staff”
(IPA action 3.33)

“Review of Terms of Reference and proposed membership of Ethics Committee by the CCLM and the Finance Committee” (IPA action 3.34)

“Appointment and initiation of work by Ethics Committee” (IPA action 3.35)

“Review of annual or biennial reports of Ethics Committee by the Council on the basis of the findings and recommendations of the CCLM and Finance Committee”
(IPA action 3.36)

2. At its Hundred and Twenty-eighth Session, in July 2009, the Finance Committee examined document FC 128/2 *“Review of the Terms of Reference and proposed Membership of the Ethic Committee”* prepared in response to action 3.34 of the IPA. The Committee decided to keep the issue open and review the matter again at one of its forthcoming sessions, including in the light of the deliberations of the Committee on Constitutional and Legal Matters (CCLM), due to hold its session in September 2009.

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3. At its Eighty-eighth Session, in September 2009, the CCLM reviewed document CCLM 88/2 “*Ethics Committee*” and proposed amendments to the Terms of Reference. The CCLM noted, at that time, that the proposed Terms of Reference of the Ethics Committee would be reviewed again by the Finance Committee.

4. At its Hundred and Thirty-second Session in April 2010, the Finance Committee examined document FC 132/13 entitled “*Review of the Terms of Reference of the Ethics Committee*”¹. On the occasion of the review by the Finance Committee, a range of observations were made on issues such as the composition of the Committee, its reporting lines, prevention of conflict of interest, financial disclosure, the independence of the ethics function and other functions of the Organization, as well as taking into account, as noted in the September 2009 CCLM Report, the ongoing developments in the United Nation. The Finance Committee requested that a revised document, in the context of the above observations made by the Committee, be prepared for its review. The revised document would also be referred to the CCLM.

5. This document contains revised Terms of Reference of the Ethics Committee based on the text reviewed by the CCLM in September 2009 and referred to the Finance Committee at its session of April 2010. The document takes into account the observations made by the Finance Committee, as well as the outcome of further consideration of the matter within FAO and a review of the Ethics Office by Ernest & Young². In addition, some adjustments, taking into account the current *modus operandi* of the Audit Committee, have been made to the proposed Terms of Reference and Composition of the Ethics Committee.

II. PROPOSED TERMS OF REFERENCE AND COMPOSITION OF THE ETHICS COMMITTEE

1. *The Ethics Committee shall operate as an advisory and supervisory panel to the Director-General on all matters pertaining to ethics within the Organization, in accordance with this Bulletin.*

Mandate of the Ethics Committee

2. *The Ethics Committee shall have the following mandate:*
 - (a) *To keep under review all matters pertaining to the formulation, development and implementation of the ethics programme of the Organization, including the Organization’s financial disclosure programme or programme of prevention of conflict of interest;*
 - (b) *To keep under review the activities of the Ethics Officer on the basis of regular reports referred to the Committee and to provide guidance thereon;*

¹ It should be stressed that the content of the submissions to the Finance Committee and to the CCLM was the same, despite changes in the titles of the documents, except that the document submitted to the Finance Committee in April 2010 reflected a few limited changes to the terms of reference which had been suggested by the CCLM in at its session of September 2009.

² Changes have been made to the proposed composition of the Ethics Committee. Ernst & Young has made a “*Review of the Ethics Office*” in which it supported the establishment of the Ethics Committee as an advisory tool to provide support the Ethics Officer and as a “*sounding board*”. On the issue of the composition of the Ethics Committee, Ernst & Young proposed that it should be composed of internal and external members. The internal members, with their knowledge of the Organization would ensure that any decision taken reflects considerations regarding applicability within FAO, while the external members would ensure that ideas and experiences from private or public organizations are considered.

- (c) *To advise on such matters as the Director-General or the Ethics Officer may refer to it;*
- (d) *To review and advise on the main individual components of the Ethics Programme, including any relevant policies, regulations and rules, dissemination of information, training, disclosure programmes and conflict of interest prevention and related policies;*
- (e) *To submit an annual report to the Director-General, to the Finance Committee and the Committee on Constitutional and Legal Matters;*
- (f) *To advise or examine any issues related to the fulfilment of its mandate.*

Composition of the Ethics Committee

3. *The Ethics Committee shall consist of the following members appointed by the Director-General:*

- *The Chairperson who shall be appointed by the Director-General from among reputable individuals external to the Organization;*
- *Three reputable individuals external to the Organization with recognized expertise in Ethics, recommended by the Finance Committee and the Committee on Constitutional and Legal Matters and approved by the Council;*
- *One Deputy Director-General;*
- *Two Assistant Directors-General;*
- *The Legal Counsel.*

Term of Office

4. *Members of the Ethics Committee hold office for a term of three years, which may be extended at the discretion of the Director-General. However, initial appointments may be made for terms of one or two years, in order to facilitate the replacement of members on a staggered basis.*

Meetings

5. *The Ethics Committee will hold at least two regular sessions each year. Additional meetings of the Ethics Committee may be convened by the Chairperson if deemed appropriate. The Director-General or the Ethics Officer may request the Chairperson to convene a meeting if necessary.*

6. *The Ethics Officer shall attend all meetings of the Ethics Committee.*

Quorum

7. *The presence of all members is expected at each meeting. At the discretion of the Chairperson, if necessary meetings may take place with at least five members.*

Secretarial Arrangements

8. *The Organization shall make the necessary secretarial arrangements for the functioning of the Ethics Committee.*

III. FINANCIAL AND OTHER CONSIDERATIONS

6. Under the proposed format where the Chairperson of the Ethics Committee and three members would be external individuals there would be a need to foresee allowances, as well as coverage by the Organization of travel expenditures, in the event that these individuals should not be based in Rome. Allocation for these expenditures is available. Other operating expenditures would normally be absorbed by existing relevant budgetary allocations.

IV. SUGGESTED ACTION BY THE COMMITTEE

7. The CCLM is invited to review this document and provide such views thereon as appropriate.

8. The CCLM is invited:

- (a) To review and endorse the proposed terms of reference of the Ethics Committee which would be promulgated within FAO through a Director-General's Bulletin and incorporated in the Administrative Manual of the Organization;
- (b) To endorse the proposal that the functioning of the Ethics Committee be assessed after a given period of time as may be decided by the Committee and its terms of reference adjusted as appropriate.