



**Statement on behalf of the European Union and its 27 Member States**  
**174th session of the FAO Council**  
**(4-8 December 2023)**

**Item 10: Reports of the 196th (5-7 June 2023), 197th (30-31 October 2023) and 198th (6-10 November 2023) Sessions of the Finance Committee**

Madam/Mr Chair,

1. I am honoured to speak on behalf of the European Union and its 27 Member States.
2. [XXX, XXXX, XXXX align themselves with this statement.]
3. We will focus our comments on the report of the 198th Session of the Finance Committee. We would like to start by thanking the Chair of the Finance Committee for his engaging and efficient leadership.
4. Overall, we welcome the report. It addresses several important issues with respect to further improving the governance, effectiveness, transparency and accountability of FAO.
5. We fully share the Committee's appreciation for the report of the external auditor for 2022, regarding both the unmodified audit opinion and the valuable long-form report. Based thereon, we agree that the Council should forward to the Conference the draft resolution by which the Conference will adopt the audited accounts.
6. We encourage FAO management to address and implement the outstanding recommendations by the external auditor and the Oversight Advisory Committee, particularly those long

outstanding or relating to high risk, in order to strengthen the internal control framework to address systemic weaknesses.

7. We note the information on planned initiatives on efficiency and effectiveness to meet the objective of making the organisation fit for purpose and improve delivery on the Strategic Framework and look forward to transparency on these initiatives through future annual reporting to the governing bodies, with a robust road-map on the work ahead and its expected results.
8. Like the Committee, we underline the importance of assessing and managing the balance between voluntary and assessed contributions on a longer-term basis and welcome future discussions within the membership on ways to address the funding situation.
9. We also welcome updates on how the ongoing JIU administrative review can contribute to further improvements in FAO at the spring session of the Committee and encourage management to continue to prioritise the development of procedures for handling allegations of misconduct against executive heads.
10. With these remarks we endorse the reports of the Finance Committee.

Thank you, Madam/Mr Chair.

---