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**Executive Board  
Annual Session**

**Rome, 6–10 June 2011**

# **ADMINISTRATIVE AND MANAGERIAL MATTERS**

**Agenda item 13**

*For information\**



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## **REPORT ON THE USE OF CONSULTANTS IN WFP**



\* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for information**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Director, HR\*:                      Ms D. Serrano                      tel.: 066513-2400

Deputy Director, HR:              Ms R. Grove                      tel.: 066513-2405

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms I. Carpitella, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

\* Human Resources Division

## EXECUTIVE SUMMARY

This report provides an overview of the use of consultants in WFP, as recommended by the Joint Inspection Unit in its “Review of Management and Administration in the World Food Programme” (JIU/REP/2009/7).

Employing consultants enables WFP to manage its workforce in line with funding actually received. Consultants provide additional capacity for emergencies, fill staffing gaps and provide expertise that may not be readily available among permanent staff. Unlike external contractors, consultants are part of the temporary workforce.

The report outlines the standards, conditions of service and procedures governing the engagement and management of consultants, as regulated by section 317 of the administrative manual of the Food and Agriculture Organization of the United Nations and the WFP Human Resources Directive on Consultancy Management (HR/2000/001). It also provides statistics and trends in the employment of consultants in WFP, and related expenditures.

Consultants are a cost-effective and efficient staffing option, particularly in times of rapid growth, that allows WFP to be prudent with regard to employment commitments that may not be supportable with fluctuating income levels.

## DRAFT DECISION\*

The Board takes note of “Report on the Use of Consultants in WFP” (WFP/EB.A/2011/13-D).

\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

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## BACKGROUND

1. This report on the use of consultants in WFP, and the related costs, governance issues, data and trends, responds to the Joint Inspection Unit's "Review of Management and Administration in the World Food Programme" (JIU/REP/2009/7).
2. WFP is a voluntarily funded organization that must be able to respond quickly to humanitarian crises. The use of consultants provides the services and expertise required in the short term without creating a longer-term staffing liability.
3. Consultants are appointed to supplement WFP's emergency operations either to perform new tasks or to cover for staff temporarily deployed to another operation. They are also retained to provide technical expertise not available internally and to cover for staff on extended sick leave, parental leave or leave without pay.
4. Consultants constitute an effective non-permanent staffing option that enables WFP to fill positions and complete projects in the short-term with qualified personnel.

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## GOVERNANCE ON THE EMPLOYMENT OF CONSULTANTS

### Policy

5. The engagement and management of consultants is regulated by section 317 of the administrative manual of the Food and Agriculture Organization of the United Nations and the WFP Human Resource Directive on Consultancy Management (HR/2000/001). Consultant honorarium rates are regularly updated and communicated in directives issued by the Human Resources Division (HR). The delegation of authority for recruitment and appointment of consultants is outlined in Executive Director's circular EDD2011/001.

### Definition

6. A consultant is an employee<sup>1</sup> of WFP appointed for a period or periods of less than one year. A consultant may be employed to provide expert advisory services or to fulfil a function when permanent staff are not immediately available. A consultant is employed directly by WFP, and unlike external contractors, is not a third-party employee.

### Duration of Assignment

7. The duration of a consultant's contract is limited to 11 months, after which the consultant may be re-engaged following a one-month break in service. The total accumulated period for which a consultant may work for WFP is 44 months in a 48-month period, after which there must be a minimum three-month break in service.

### Consultant Honoraria

8. Consultants are paid on a daily or monthly rate. Normally, consultants employed for longer than two months are paid at the monthly rate and referred to as "regular consultants". Those appointed for less than two months are termed "daily consultants" and

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<sup>1</sup> All personnel who work for WFP are considered to be employees; for the purposes of this report, two categories are referred to – consultant and staff member. A staff member is an employee in the professional and higher categories recruited internationally and paid on the basis of salary scales applied worldwide and established by the United Nations General Assembly.

are paid on a daily basis. Those who work intermittently over a period of time are paid for actual days worked and are referred to as “consultants when actually employed”.

9. Consultants’ honoraria levels are based on the complexity of the work outlined in the terms of reference. Professional experience and educational credentials are among the qualifications considered in determining the suitability of consultants for the work required.
10. The basis for an honorarium is the salary schedule for professional and higher categories of the International Civil Service Commission (ICSC). The calculation takes into consideration the comparable net base salary at the single rate.

<b>TABLE 1: CONSULTANT LEVELS</b>			
<b>Consultant level</b>	<b>Nature of work</b>	<b>Years of experience</b>	<b>Honorarium in US\$ (effective 2009)</b>
Junior	Analysing, interpreting, identifying problems, drawing conclusions and making recommendations	Less than 3	2 760–3 630
Level I	Professional input such as taking corrective or adaptive action	3–5	3 900–6 000
Level II	Developing new approaches, techniques or policies and establishing guidelines	6–10	5 700–9 000
Level III	Creating new concepts, theories or principles, and establishing guidelines of major importance	12	8 700–12 000
Level IV	Delivering world class expert contributions in the profession	Over 12	11 550–13 200

### **Benefits and Allowances**

11. A number of mandatory and voluntary benefits and allowances are available to consultants. WFP provides mandatory medical insurance and compensation for illness, injury or accidental death; the plan includes provisions for sick leave with a certified medical document. For appointments of six months or more, consultants may enrol in the Group Life, Accident and Disability Insurance Plan. Consultants are not eligible to participate in the United Nations Joint Staff Pension Fund.
12. On appointment and separation, consultants receive travel expenses from and to their place of recruitment. During an assignment, consultants receive the daily subsistence allowance (DSA) specific to the duty station; HR may also negotiate a monthly living allowance for assignments exceeding two months in Headquarters duty stations at or above US\$2,500. No living allowance or DSA is paid to consultants who are recruited in the commuting area of the work station.

### **Performance Assessment**

13. The performance of a consultant is assessed at the conclusion of an assignment and documented in a Quality Assessment Report, which captures the extent to which the consultant provided the outputs defined in the terms of reference.

14. The approach for assessing consultants differs from that for staff members, who participate in the Performance and Competency Enhancement (PACE) system, which provides mid-year performance feedback and includes discussions on career development and training opportunities.

### **Accountabilities and Responsibilities**

15. The Executive Director's circular EDD 2011/001 defines the delegations of authority related to the recruitment and management of consultants.
16. The hiring manager is responsible for defining the terms of reference of the assignment and for proposing a consultant, and is also accountable for supervising the work of the consultant and completing the Quality Assessment Report at the conclusion of the assignment.
17. Before initiating or approving the recruitment of a consultant, HR reviews the proposed assignment and checks whether there are suitable WFP staff available. Once recruitment clearance is obtained, HR is responsible for determining the honorarium on the basis of the terms of reference and for confirming the qualifications of the candidate. The offer of employment and resulting consultancy contract are prepared by HR, which is also accountable for monitoring the employment of the consultant and ensuring that required breaks in service are observed; HR also reports to the Board at its Annual Session on the number of consultants in the workforce.
18. Under the rules in the Consolidated Finance Manual, a consultant may not represent WFP or commit it in any financial or administrative matters: in particular, consultants may not be given authority to certify, approve, authorize or disburse. Under HR guidelines, a consultant may not evaluate the performance of a professional or general service staff member using the PACE.

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## **STATISTICS AND TRENDS RELATED TO THE EMPLOYMENT OF CONSULTANTS**

19. The following data were extracted from the WFP Information Network and Global System II (WINGS II) as of 31 December of the year under review, unless otherwise stated. The term "international staff" includes international professional staff members holding fixed-term, indefinite or continuing appointments.

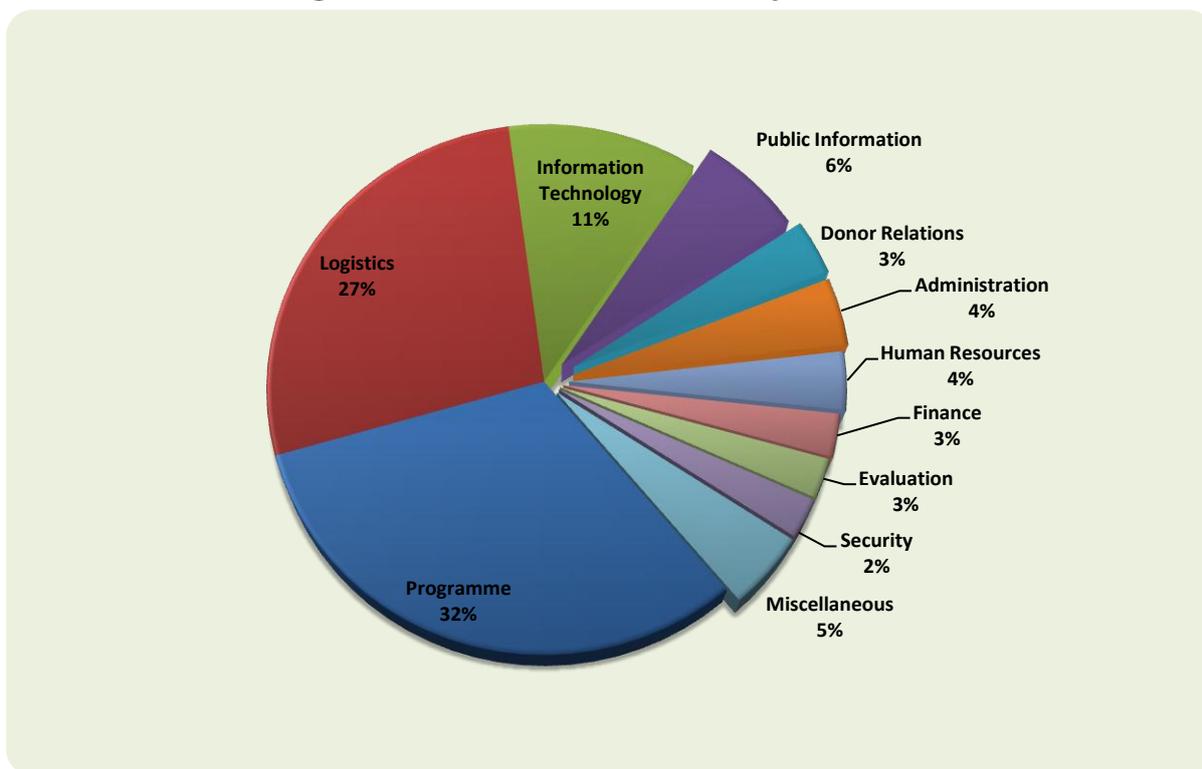
### **Number of Consultants**

20. The number of consultants employed as of 31 December 2010 was 534; during the year, 946 individual consultants were appointed or reappointed. The number of days of consultant employment in 2010 was equal to 506 full-time equivalent employees.

### **Consultant Services by Function**

21. The work most often provided by consultants is related to humanitarian programming, logistics and information technology: this represents 70 percent of the consultant workforce, and is consistent with the core services provided by WFP in emergency operations.

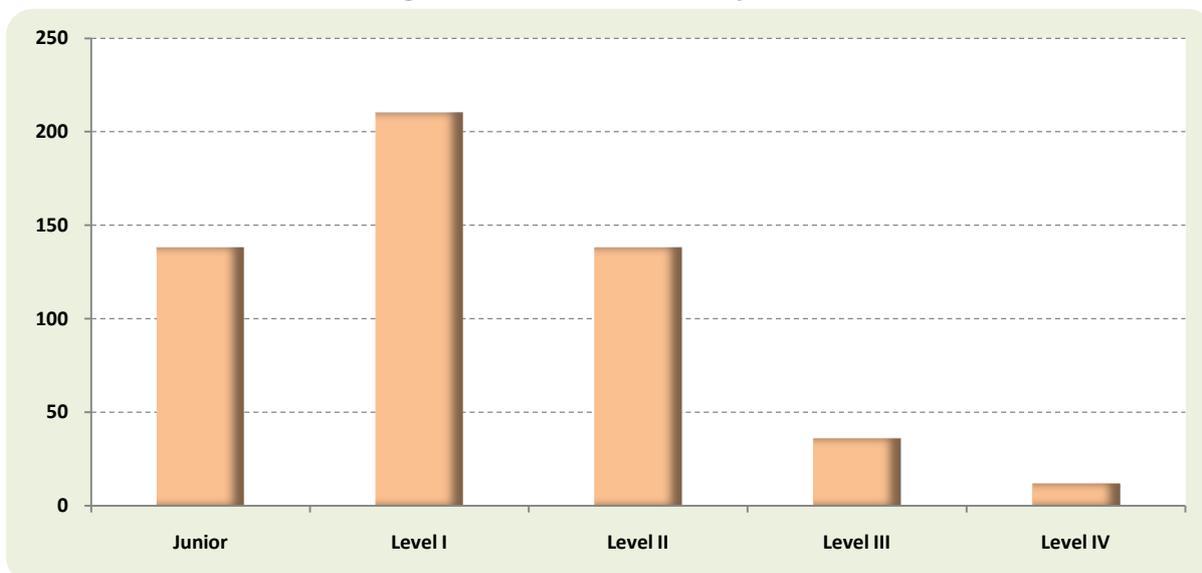
**Figure 1: Consultant Services by Function**



**Consultants by Level**

22. Figure 2 shows that most consultants were appointed at Level I. The lower two levels account for 65 percent of the consultant workforce, suggesting that the principal use of consultants is to carry out assignments of a level of complexity comparable to those carried out by staff members at lower professional levels. The distribution of consultants in the lower levels was predominant in field locations, whereas most consultants carrying out expert functions at levels III and IV were in Headquarters duty stations.

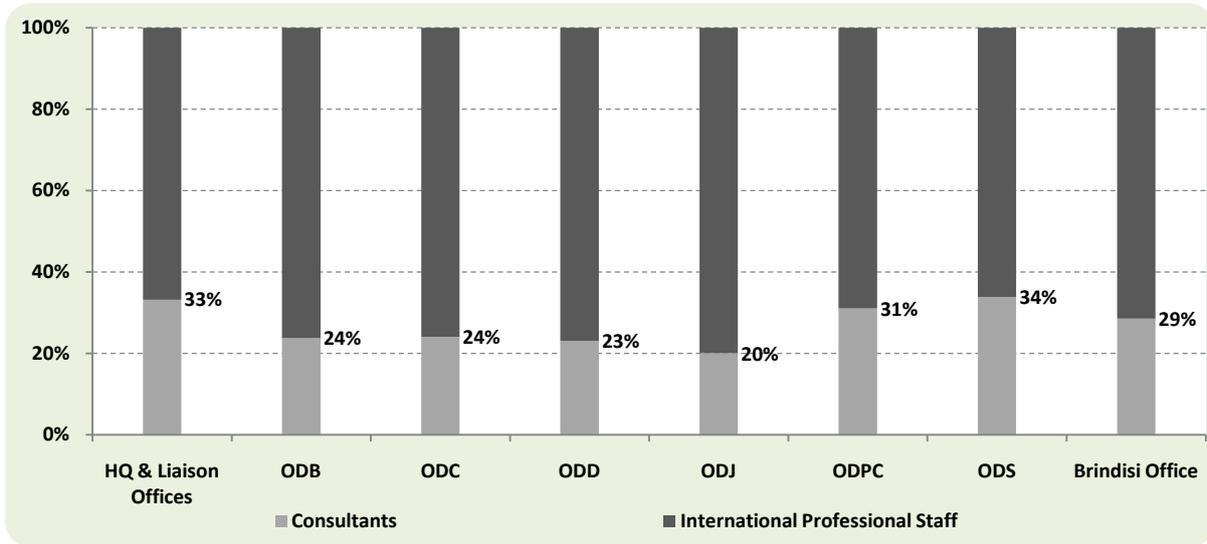
**Figure 2: Consultants by Level**



### Consultants by Region

23. With regard to the 534 consultants employed in 2010, the proportion of consultants to international professionals shows that the highest reliance on consultants was in the Sudan Regional Bureau (ODS), Headquarters liaison offices and the Regional Bureau for Latin America and the Caribbean (ODPC).

**Figure 3: Consultants by Region**



### Trend in the Number and Proportion of Consultants

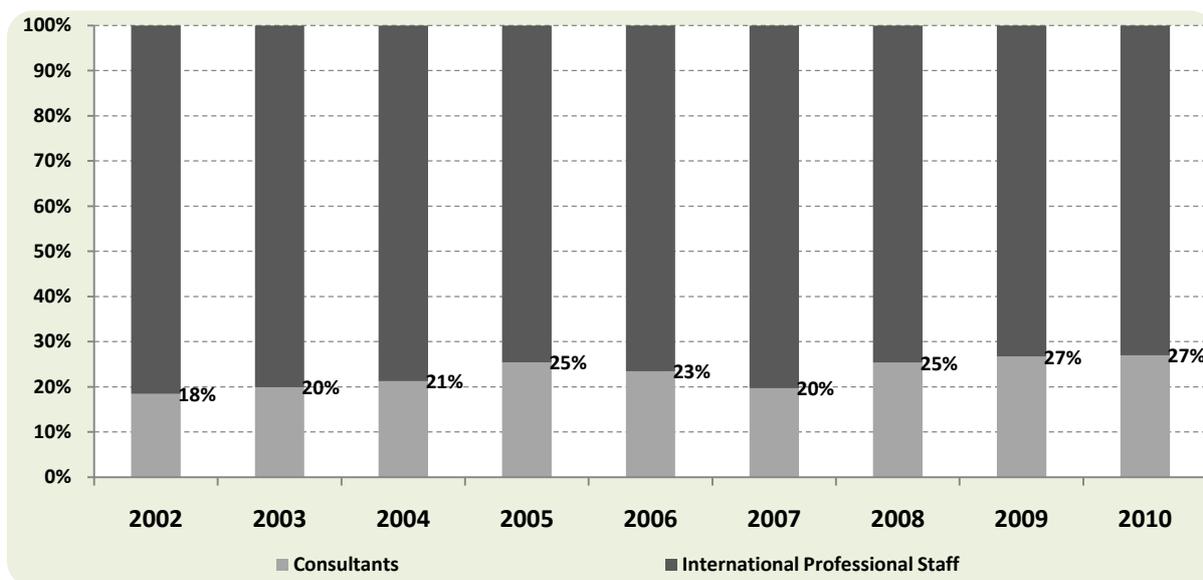
24. The growth in the number of consultants employed in WFP since 2002 mirrors that of the international professional workforce.

**Figure 4: Trends**



25. During the same period, the proportion of consultants worldwide and at Headquarters has remained steady.

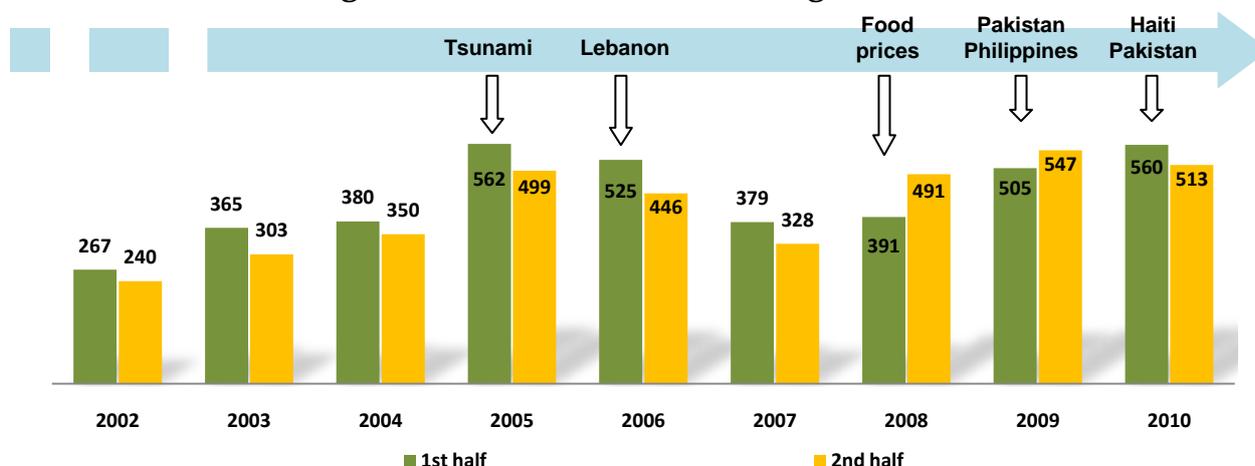
**Figure 5: Proportion of Consultants Worldwide**



**Trend in the Number of Consultants and Corporate Emergencies**

26. Figure 6 shows the cumulative number of consultant appointments and re-appointments processed in the first and second half of each year. This reflects WFP’s surge capacity for emergency operations. In the six months following the December 2004 Indian Ocean tsunami, WFP appointed additional consultants to support its emergency response. The response to the Lebanon crisis in 2006 required additional consultants, but on a smaller scale. With no corporate emergencies in 2007, the number of consultants decreased, but in 2008 WFP’s increased engagement during the food price crises resulted in an increase in the use of consultants. The two emergencies of 2009 saw a further increase in the use of consultants, which rose slightly in 2010 following the Haiti earthquake and emergency operation.

**Figure 6: Consultants and Emergencies**



### A RECENT EXAMPLE – 2010 HAITI OPERATION

WFP's response to the Haiti earthquake in 2010 depended in part on its ability to deploy resources quickly: 313 additional personnel were deployed during the emergency, of whom 85 – 27 percent – were consultants.

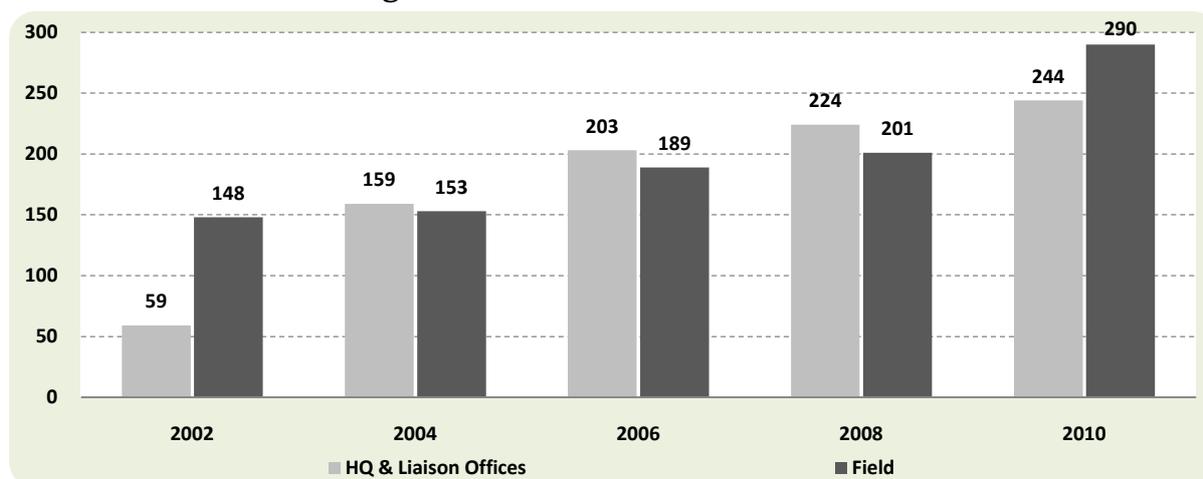
The length of service of the consultants deployed to Haiti averaged five months, ranging from 2 weeks for highly technical expertise in the initial stages to 11 months for short-term staffing services.

Consultants were hired in several cases to cover for staff members deployed to Haiti. This minimized the impact on operations elsewhere by maintaining the continuity of services.

### Trend in Location of Consultants

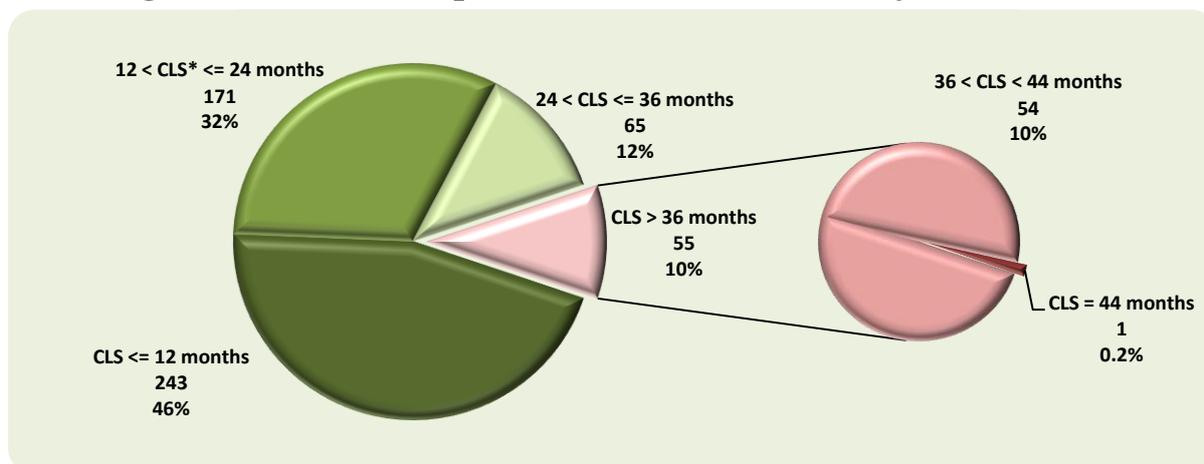
27. The number of consultants assigned to field duty stations compared with those in Headquarters reflects a recent change in that a higher proportion of consultants work in the field compared with previous years.

Figure 7: Location of Consultants



### Duration of Employment

28. Figure 8 shows the cumulative full-time equivalent months worked by consultants as of 31 December 2010 in the four-year period January 2007 to December 2010. All the consultants worked for less than 48 months during this period, which demonstrates that the mandatory breaks in service were observed. Only one consultant worked for 44 months – the maximum allowable in a four-year period.

**Figure 8: Full-Time Equivalent Months Worked by Consultants**

\* Consultants

### Consultant Perceptions

29. Feedback from consultants captured in the latest Global Staff Survey regarding satisfaction and performance suggests that their views are predominant positive and comparable with those held by international professional staff.

TABLE 2: GLOBAL STAFF SURVEY		
2006 Global Staff Survey Question	International Staff	Consultants
Overall, how would you rate WFP as an organization to work for compared with other organizations?	68% favourable 26% neutral 6% unfavourable	66% favourable 28% neutral 5% unfavourable
I am proud to work for WFP.	88% favourable 10% neutral 2% unfavourable	86% favourable 12% neutral 2% unfavourable
Rate your immediate manager on letting you know how well you are doing your job	57% favourable 27% neutral 16% unfavourable	62% favourable 23% neutral 15% unfavourable

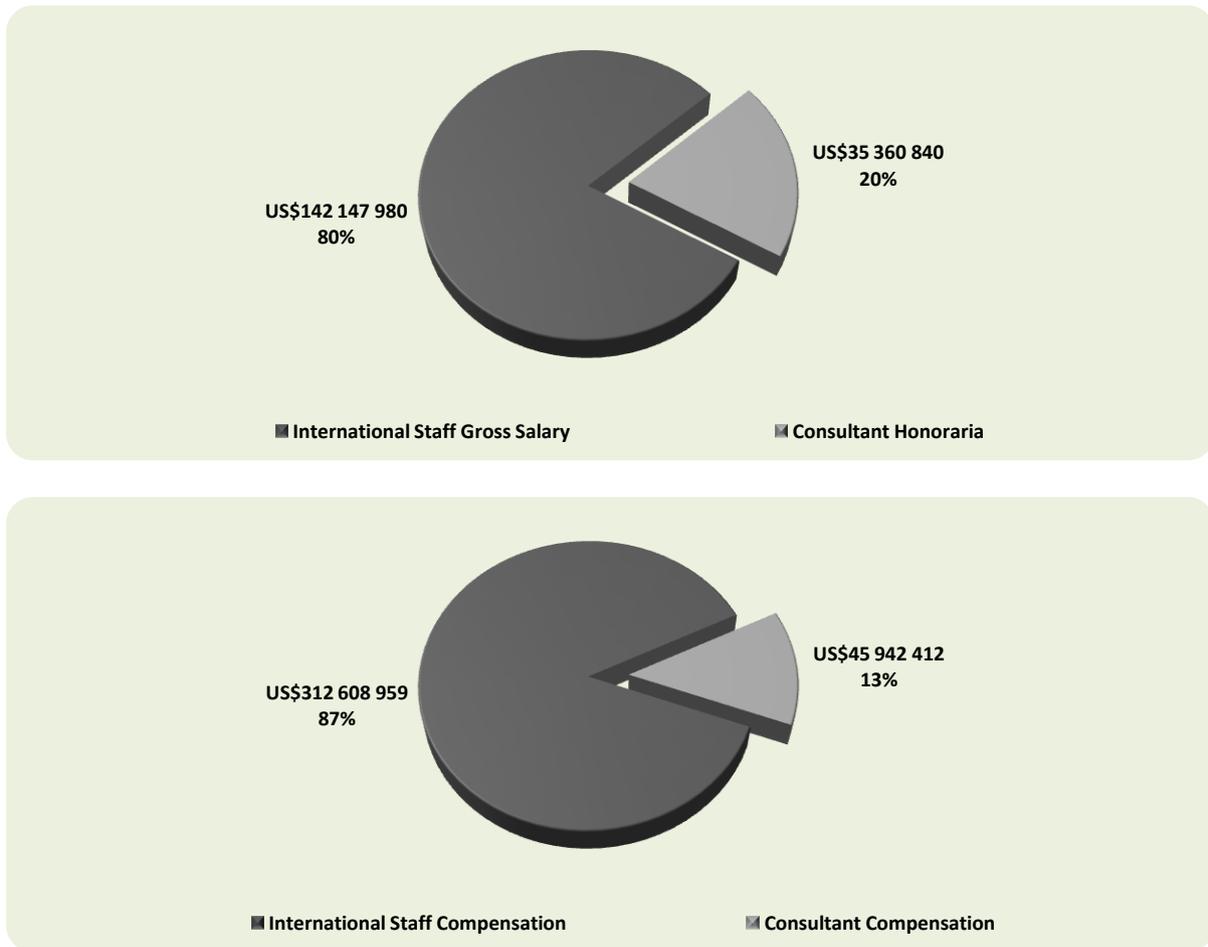
### Expenditure on Consultants

30. In 2010, WFP spent US\$35.4 million on consultant honoraria, which accounts for 20 percent of expenditure on international professional staff in terms of consultant honoraria and international professional staff gross salaries. It does not, however, reflect the total compensation costs for these categories: when the additional benefits and allowances paid to international staff members<sup>2</sup> and consultants<sup>3</sup> are considered, the overall proportion of consultant compensation is lower.

<sup>2</sup> ICSC. 2010. *United Nations Common System of Salaries, Allowances and Benefits*. New York.

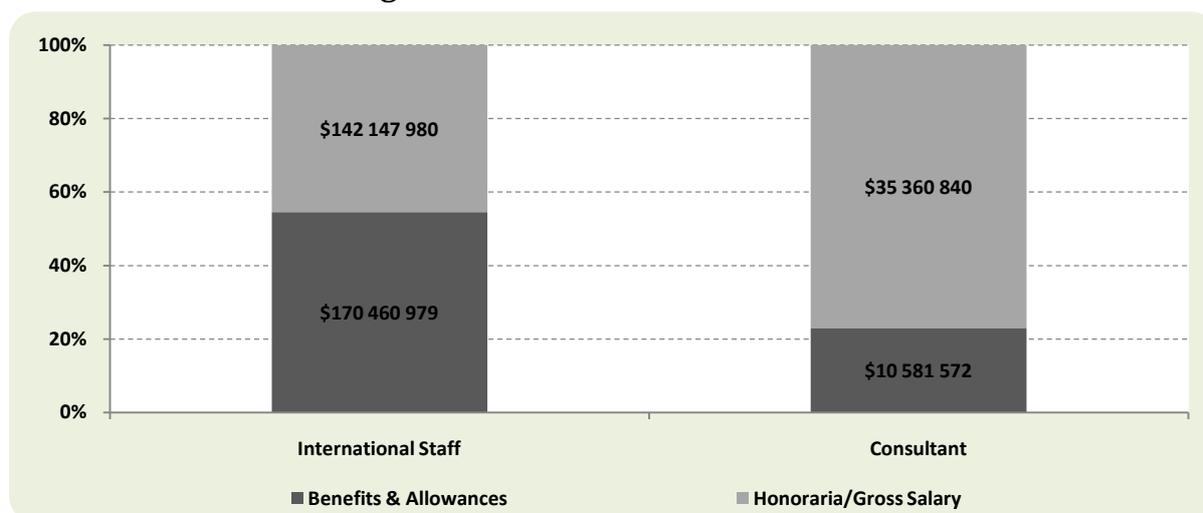
<sup>3</sup> International consultants also receive medical insurance and travel entitlements. The costs associated with daily or monthly subsistence is not included in this calculation.

**Figure 9: International Staff Salaries and Consultants' Honoraria**



31. Analysis of the costs associated with international staff shows that the additional allowances and benefits are 55 percent of the total compensation package. For consultants, the additional benefits account for 23 percent of their compensation, without considering daily or monthly living allowances. This is because consultants are not included in international career mobile staff, so there are no costs associated with the ICSC transfer entitlements and other benefits for international professionals.

**Figure 10: Salaries and Honoraria**



## CONCLUSIONS

32. The use of consultants as a contingent workforce is appropriate for WFP as a voluntarily funded organization with a primary mandate to provide food assistance in emergencies. The volatility in global emergencies compels WFP to have surge capacity to respond quickly, but the unpredictability of actual funding levels restricts it in terms of long-term staffing commitments.
33. More organizations are increasing their use of a contingent workforce in view of the current global economy, but WFP has maintained a fairly stable ratio of consultants over the last eight years.
34. WFP has in place many of the controls needed to make the best use of consultants and ensure that mutual satisfaction is achieved. Generally, the use of consultants can raise concerns regarding esprit de corps or organizational loyalty but this has not been an issue in WFP. As the salary survey indicated, consultants have a high level of satisfaction with their relationship with WFP and have demonstrated commitment to the WFP and its mandate. Moreover, consultant honoraria are set on the basis of equivalent work in the international professional grades, so wage disparity in the international workforce is minimized and is not a source of tension between the two categories of employment.
35. By enabling WFP to obtain a level of agility and flexibility in its staffing, the use of consultants offers both cost efficiency and operational effectiveness.

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## ACRONYMS USED IN THE DOCUMENT

HR	Human Resources Division
ICSC	International Civil Service Commission
PACE	Performance and Competency Enhancement