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REVIEW OF THE DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR



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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

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.

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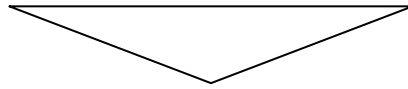
Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Operations Department

** Office of the Director of Operations



DRAFT DECISION*



The Board:

- (i) takes note of the information on PRROs and budget increases to PRROs approved by the Executive Director under the increased delegation of authority granted at the Third Regular Session in 2004;
- (ii) takes note of the information regarding budget increases to country programmes, approved by the Executive Director under the increased delegation of authority granted at the Second Regular Session in 2005;
- (iii) endorses the continuation of these delegations;
- (iv) requests the Secretariat to keep it informed annually of the use of the Executive Director's delegated authority as set out in Annex I; and
- (v) approves the amendment to the Appendix to the General Rules as set out in Annex I.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (WFP/EB.2/2006/16) issued at the end of the session.



INTRODUCTION

1. At its Third Regular Session of 2004, the Board approved (i) an increase in the delegation of authority to the Executive Director for approval of protracted relief and recovery operations (PRROs) and budget increases to PRROs to US\$20 million in terms of food value, (ii) elimination of the 10 percent food-value ceiling for budget revisions, using only absolute food value as the ceiling, and (iii) re-establishment of a mechanism for Board approval of PRROs by correspondence. The Board requested that these increased delegations of authority be reviewed after two years of implementation at the Second Regular Session of 2006 to determine whether this procedure would be continued.
2. At its Second Regular Session of 2005, the Board approved (i) abolition of the 10 percent limit on reallocations of resources between country programme (CP) components, (ii) inclusion of changes in orientation of CP components in the budget revision procedure under the delegated authority of the Executive Director, and (iii) approval for receiving and programming additional directed resources to CPs. These delegations were to apply until the end of 2006; the Board would decide at its Second Regular Session of 2006 on continuation of these delegations in the light of experience.
3. The first section of this paper reviews the use of the increased delegations of authority to the Executive Director for the approval of PRROs and budget increases related to PRROs; the second reviews budget increases and revisions to CPs that have been approved under the Executive Director's increased authority; the third summarizes the overall findings and recommends amendments to the Appendix to the General Rules.

PROTRACTED RELIEF AND RECOVERY OPERATIONS

Approvals of New PRROs with Food Costs of Between US\$3 Million and US\$20 Million since the Increased Delegation was Granted

4. Since the Board's November 2004 decision to increase the Executive Director's delegated authority for approval of PRROs from US\$3 million to US\$20 million in food value, there have been 11 approvals of new PRROs in this category; the total food value is US\$91.4 million; the overall value including all associated costs is US\$202.3 million (see Annex II-A).
5. In the same period, the Board approved 12 PRROs for a total food value of US\$754 million, for which the overall cost was US\$1.56 billion (see Annex II-B).
6. The Executive Board has therefore saved considerable time by halving the number of PRROs it would have had to consider if the additional delegation of authority had not been granted. The Board nonetheless approved 85 percent of the value of PRROs with a food value greater than US\$3 million.

Approvals of Budget Increases to PRROs with Food Costs of between US\$3 Million and US\$20 Million since the Increased Delegation was Granted

7. During the same period, 14 budget increases between US\$3 million and US\$20 million in food costs were approved by the Executive Director under the increased delegation; the total increased food value was US\$126.6 million; the overall increase in value, including all associated costs, was US\$233.1 million. Of the 14 budget revisions, 10 would not have been approved under the increased delegation without the abolition of the 10 percent food value ceiling (see Annex III-A).
8. In the same period, the Board approved three budget increases to PRROs; the total increased food value was US\$155 million; the total increase in value was US\$320 million (see Annex III-B).
9. If the increased delegation had not been granted, the Board would have spent a disproportionate amount of time considering 14 relatively small budget increases that accounted for 5 percent of PRRO approvals and budget increases of over US\$3 million during the period.

Approvals of PRROs by Correspondence

10. There were no approvals by correspondence. The fact that this mechanism was not employed, however, does not mean that it is not needed: it could have been needed in relation to the 2006 drought in Somalia, but because a new PRRO was being prepared, an interim budget revision with a food value of US\$11.34 million was all that was needed at that time.

DEVELOPMENT PROGRAMMES AND PROJECTS

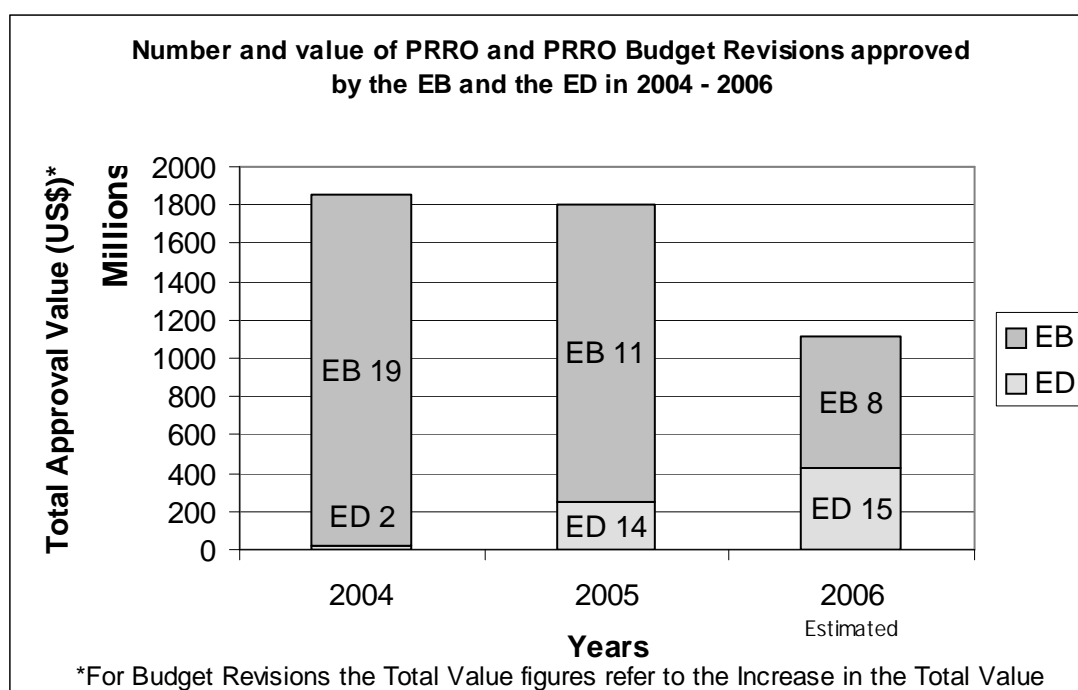
11. Since the Board's decision in November 2005 to increase the Executive Director's delegated authority for budget increases to development programmes and projects, there have been seven such revisions for Chad, Guatemala, Haiti, Honduras, Malawi, Mozambique and Rwanda (see Annex IV.)
12. No budget increases for CPs went to the Board for approval in this period.
13. The total increased food value of these budget increases for five of the seven countries amounted to US\$4.9 million; the overall increase inclusive of associated costs was US\$12.8 million. For Haiti and Mozambique, the revisions involved a decrease in the budget. Five budget revisions involved a change of orientation, typically phasing down one or more components and re-allocating resources to other components or supplementary activities beyond the 10 percent limit. These re-adjustments mainly took place following mid-term evaluations or joint reviews with governments.
14. In the period under review, the Executive Director has not received any additional directed resources to CPs or development programmes and projects, but it is hoped that he will do so in the near future. The development programme category continues to be underfunded in spite of the recent encouraging external evaluation of the Enabling Development Policy, so CPs for approval in 2006 do not include supplementary budgets. Those for Bangladesh, Egypt and Mozambique, however, have the potential to meet greater needs and to attract additional directed contributions. The new delegation of authority to the Executive Director to receive and programme additional directed resources to development



programmes and projects will provide the mechanism to channel them; the Board will be kept informed.

CONCLUSIONS AND RECOMMENDATIONS

15. The two sets of increased delegations of authority have reduced the time spent by the Board on detailed operational matters, fulfilling the recommendations of the Working Group on Governance (WG/G) for rationalization and simplification of the Board's work, approved by the Board in 2000. The overall value of approvals by the Board has not been significantly reduced, and the Board has been able to focus on larger operational decisions and devote more time to policy and management issues.
16. Graph 1 shows that the number of PRROs and PRRO budget increases approved by the Board has been reduced, but the value of approvals by the Board remains high as a proportion of the total.



17. For PRROs and budget increases, the increased delegations of authority have given country offices the advantage of a faster approval process that enables rapid response to sudden increases in relief needs and greater flexibility. Somalia provides the best example: on 6 February 2006, the Executive Director approved a budget increase to respond to drought in the Horn of Africa as soon as the needs assessment findings were available; the necessary resources were quickly mobilized.
18. CPs have also gained greater flexibility to respond quickly to changes on the ground – and the Board's workload has been significantly reduced.
19. The Board's accountability and control has not been diminished. The Secretariat has maintained the same quality controls with regard to approvals under delegated authority as would have been the case if approvals had gone before the Board; this includes convening the Programme Review Committee for each new PRRO and significant budget increase.

20. The Secretariat will report to the Board's First Regular Sessions on additional directed contributions to development programmes and projects. The Board is fully informed about other approvals under the Executive Director's delegated authority through regular reports from the Executive Director on operational matters. All current operational projects and significant budget increases, whatever the approval authority, are published on WFP's external website as soon as they are approved.
21. It is recommended that the existing levels of delegation for PRROs approved by the Third Regular Session of 2004 and of development programmes and projects by the Second Regular Session of 2005 be maintained.
22. The Appendix to the General Rules relating to delegations of authority to the Executive Director needs to be amended to reflect the Board's decision at the Second Regular Session of 2005 to delegate to the Executive Director authority to receive and programme additional directed resources to development programmes and projects and to keep the Board regularly informed. The proposed amendment is set out in Annex I.

ANNEX I

PROPOSED RE-WORDING, SHOWN IN UNDERLINED BOLD FONT

Appendix to the General Rules
Delegation of Authority to the Executive Director

The following is the authority delegated to the Executive Director by the Board in accordance with Regulation VI.2 (c):

(a) Development projects

Reallocation of resources among programme components on the basis of assessment of the situation, needs and performance of the components of a country programme, subject to the availability of resources.

Approval of projects for which the food value does not exceed US\$3 million, excepting the following which shall be referred to the Executive Board:

- (i) complex projects or those requiring the coordination of a large number of agencies;
- (ii) projects involving innovative approaches, or embracing controversial steps;
- (iii) projects for which two or more expansions have already been approved;
- (iv) projects that include a large proportion (greater than 50 percent) of open market commodity monetization (not including sales of WFP commodities for the purpose of purchasing food products for direct distribution, a modality regarded as commodity exchange and not considered as monetization by the CFA in its discussion at the Twenty-fourth Session in October 1987).

(b) Emergency operations

All emergency operations whose food value does not exceed US\$3 million. Above that level, approval will be afforded jointly between the Executive Director and the Director-General.

(c) Protracted relief and recovery operations

Approval of protracted relief and recovery operations whose food value does not exceed US\$20 million.

(d) Special Operations

Approval of all special operations.

(e) Project budget revisions

- (i) Approval of budget revisions for a food value of up to US\$3 million for development **programmes and** projects and emergency operations, and US\$20 million for protracted relief and recovery operations.
- (ii) Approval of change in the orientation of a country programme component through a budget revision, not exceeding the overall approved value of the country programme. Where there is an increase over the overall approved budget, it should not exceed the approved delegated authority level as cited in (i) above.



- (iii) Approval of budget revisions for all special operations.
- (iv) The total of such increases for any country in any calendar year may not exceed twice the authority delegated to the Executive Director for project approval. **However, the Executive Director may receive and programme any additional directed resources to country programmes and projects, keeping the Board regularly informed.**

ANNEX II-A: PRROS WITH A FOOD VALUE OF BETWEEN US\$3MILLION AND US\$20 MILLION APPROVED BY THE EXECUTIVE DIRECTOR UNDER INCREASED DELEGATION BETWEEN NOVEMBER AND AUGUST 2006

Country	Project Number	Title	Approval date	Food value (US\$)	Total value (US\$)
Azerbaijan	10168.1	Assistance to IDPs and other Vulnerable Groups	29/05/2006	9 523 070	15 664 815
Bangladesh	10045.3	Assistance to the Refugees from Myanmar	02/11/2005	3 110 634	4 898 557
Central African Rep.	10189.1	Assistance to Populations Affected by Armed Conflicts in the Central African Republic	23/05/2005	4 843 284	13 544 556
Guinea Bissau	10148.2	Post-Conflict Relief and Rehabilitation	29/12/2005	5 081 270	12 161 611
Haiti	10382.0	Response to Food Insecure Persons in Crisis Situations	06/05/2005	17 815 867	39 926 889
Madagascar	10442.0	Response to Recurrent Natural Disasters and Seasonal Food Insecurity in Madagascar	19/04/2006	5 249 860	13 072 479
Mali	10452.0	The Fight against Malnutrition and Strengthening of Means of Livelihood in northern Mali	10/05/2006	11 629 439	28 985 653
Nepal	10058.4	Food Assistance to Bhutanese Refugees in Nepal	16/09/2005	6 987 963	9 305 859
Niger	10509.0	Strengthening the Means of Subsistence of Vulnerable Populations and Targeted Assistance for Malnourished Children	27/02/2006	14 476 842	37 333 351
Timor Leste	10388.0	Investing in People's Future	02/12/2004	4 279 496	9 460 887
Zambia	10071.2	Food Assistance for Refugees from Angola and the Democratic Republic of Congo	09/09/2005	8 426 638	17 912 699
Total				91 424 363	202 267 356



ANNEX II-B: PRROS APPROVED BY THE EXECUTIVE BOARD SINCE NOVEMBER 2005 (FOR COMPARISON ONLY)

Country	Project Number	Title	Approval date	Food value (US\$)	Total value (US\$)
Afghanistan	10427.0	Post-Conflict Relief and Rehabilitation in Islamic Republic of Afghanistan	02/09/2005	172 592 240	360 208 291
Angola	10433.0	Food Assistance for Education and Health in Conflict-Affected Communities of Angola	22/02/2006	27 103 204	87 613 923
Colombia	10366.0	Assistance to Persons Displaced by Violence	01/02/2005	24 716 248	40 156 680
Dem. Rep. of Korea	10488.0	Recovery Assistance for Vulnerable Groups	23/02/2006	70 958 630	102 234 252
Eritrea	10192.1	Food Assistance to Malnourished and Food-Insecure Populations	02/06/2005	97 593 754	211 549 801
Great Lakes Reg.	10062.2	Food Aid for Relief and Recovery in the Great Lakes Region	02/09/2005	55 413 242	125 594 934
Guatemala	10457.0	Recovery and Prevention of Malnutrition for Vulnerable Groups	10/11/2005	20 235 000	27 445 337
Kenya	10258.1	Food Assistance for Somali and Sudanese Refugees	08/06/2005	36 002 426	72 174 012
Pakistan	10504.0	Post-Earthquake Relief and Recovery Operation - South Asia	24/01/2006	38 992 325	67 873 381
Palestinian Territory	10387.0	Protracted Relief Operation for Non-Refugee Palestinians	26/04/2005	49 187 200	80 871 310
Somalia	10191.1	Food Aid for Relief and Protection of Livelihoods	04/04/2006	42 511 720	124 569 265
Uganda	10121.1	Targeted Food Assistance for Relief and Recovery of Refugees Displaced People and Vulnerable Groups in Uganda	02/02/2005	118 736 570	263 306 886
Total				754 042 559	1 563 598 072



**ANNEX III-A: BUDGET INCREASES TO PRROS APPROVED BY THE EXECUTIVE DIRECTOR UNDER INCREASED DELEGATION
(FOOD VALUE BETWEEN US\$3MILLION AND US\$20 MILLION) SINCE NOVEMBER 2004**

Country	Project number	Title	Revision type	Approval date	Increase in food value (US\$)	Revised food value (US\$)	Increase in food value (%)	Increase in total value (US\$)	Revised total value (US\$)
Afghanistan	10233.0	Food Assistance to Re-establish Livelihoods and Household Food Security in Afghanistan	Extension in time and addition of commodities	05/01/2005	3 075 874	162 426 236	2	8 719 568	341 299 249
DR Congo	10288.0	Assistance to Populations Affected by Armed Conflict	1) Extension in time and addition of commodities	28/06/2005	11 657 200	69 002 256	20	29 903 503	190 620 703
			2) Extension in time and addition of commodities	29/06/2006	17 939 210	86 941 466	26	60 577 646	251 519 243
Ethiopia	10362.0	Enabling Livelihood Protection and Promotion	Addition of commodities	16/03/2006	8 542 120	377 490 838	2	19 209 442	781 987 048
Great Lakes Reg.	10062.1	Relief and Recovery in the Great Lakes Region	Addition of commodities	27/06/2005	19 075 066	137 438 350	16	41 671 637	331 967 016
Mauritania	10359.0	Strengthening the Means of Subsistence of Drought Affected Populations	1) Addition of commodities	16/12/2004	3 939 644	10 623 352	59	10 805 877	30 875 693
			2) Addition of commodities	29/12/2005	3 072 535	13 788 252	29	9 469 846	40 624 369
Palestinian Territory	10387.0	Assistance to Non-Refugee Palestinians	Addition of commodities	01/08/2006	11 717 210	62 580 836	23	17 227 075	99 938 497



**ANNEX III-A: BUDGET INCREASES TO PRROS APPROVED BY THE EXECUTIVE DIRECTOR UNDER INCREASED DELEGATION
(FOOD VALUE BETWEEN US\$3MILLION AND US\$20 MILLION) SINCE NOVEMBER 2004**

Country	Project number	Title	Revision type	Approval date	Increase in food value (US\$)	Revised food value (US\$)	Increase in food value (%)	Increase in total value (US\$)	Revised total value (US\$)
Somalia	10191.0	Food Aid for Relief and Recovery in Somalia	1) Addition of commodities	25/02/2005	3 634 690	15 607 929	30	3 916 304	55 235 228
			2) Addition of commodities	09/09/2005	4 643 807	20 251 736	30	14 624 699	69 859 927
			3) Addition of commodities	06/02/2006	11 341 011	33 970 172	50	41 077 279	120 960 010
Southern Africa Reg.	10310.0	Assistance to Populations in Southern Africa Vulnerable to Food-Insecurity and the Impact of AIDS	1) Addition of commodities	04/04/2005	13 640 020	193 936 949	8	28 864 901	423 983 468
			2) Addition of commodities	03/01/2006	7 660 462	295 134 148	3	15 713 250	637 232 606
West Africa Reg.	10372.0	Response to the Côte d'Ivoire Crisis and its Regional Impact	Extension in time and addition of commodities	30/09/2005	6 645 600	18 528 615	56	19 468 706	47 632 607
Total					126 584 449	1 188 298 913		233 134 449	2 653 160 645



ANNEX III-B: BUDGET INCREASES TO PRROS APPROVED BY THE EXECUTIVE BOARD UNDER INCREASED DELEGATION SINCE NOVEMBER 2004 (FOR COMPARISON ONLY)

Country	Project number	Title	Revision type	Approval date	Increase in food value (US\$)	Revised food value (US\$)	Increase in total value (US\$)	Revised total value (US\$)
Indonesia	10069.1	Assistance to Tsunami Recovery and Nutritional Rehabilitation	Addition of commodities	09/11/2005	50 033 150	103 473 843	88 127 239	196 450 847
Southern Africa Region	10310.0	Assistance to Populations in Southern Africa Vulnerable to Food-Insecurity and the Impact of AIDS	Addition of commodities	09/11/2005	93 085 736	287 473 685	210 995 539	621 519 356
Sri Lanka	10067.1	Assistance to Vulnerable Groups for Peace Building in Conflict- and Tsunami Affected Areas	Extension in time and addition of commodities	09/11/2005	11 860 668	28 907 237	20 798 365	47 264 443
Total					154 979 554	419 854 765	319 921 143	865 234 646





ANNEX IV: BUDGET INCREASES AND REVISIONS TO COUNTRY PROGRAMMES APPROVED BETWEEN NOVEMBER 2005 AND AUGUST 2006 UNDER INCREASED DELEGATION TO THE EXECUTIVE DIRECTOR

Country	Project number	Revision type	Approval date	Increase in food value (US\$)	Revised food value (US\$)	Increase in total value (US\$)	Revised total value (US\$)
Chad	10018.0	Additional commodities, extension in time, change in orientation	12/02/2006	370 987	10 529 407	972 279	27 211 149
Guatemala	10092.0	Extension in time, change in orientation	01/08/2006	2 985	9 287 927	3 194	18 848 561
Haiti	10217.0	Extension in time, change in orientation	26/07/2006	-78	18 972 586	186 907	34 489 346
Honduras	10074.0	Reallocation of resources, change in orientation	11/08/2006	307	14 413 820	329	22 817 583
Malawi	10106.0	Additional commodities, extension in time, change in orientation	16/05/2006	2 077 957	25 685 999	7 435 130	50 891 200
Mozambique	10097.0	De-earmarking of unrequired outstanding balances, re-allocation of resources	16/05/2006	-8 097 078	29 479 199	-15 498 418	73 756 947
Rwanda	10156.0	Additional commodities, extension in time, re-allocation of resources	24/05/2006	2 454 900	21 728 946	4 154 833	45 291 980
Total				-3 190 020	130 097 884	-2 745 746	273 306 766