

برنامج  
الأغذية  
العالمي



Programme  
Alimentaire  
Mondial

World  
Food  
Programme

Programa  
Mundial  
de Alimentos

**Executive Board  
Annual Session**

**Rome, 17 - 20 May 1999**

# **FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 5**



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**WFP/EB.A/99/5-C/2**

14 May 1999

ORIGINAL: ENGLISH

## **REPORT OF THE FAO FINANCE COMMITTEE**

The Executive Director is pleased to submit herewith the report of the FAO Finance Committee pertaining to WFP. The report covers different agenda items as follows:

- Item 5-A—Strategic and Financial Plan (2000–2003)
- Item 5-B—Budgetary Performance Report for 1998
- Item 5-C—Financial Management Improvement Programme (FMIP)

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## FC 92/WFP Report

May 1999



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

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## FINANCE COMMITTEE

## Ninety-second Session

Rome, 3 – 7 May 1999

## Final Report – World Food Programme

## A. WFP REPORT OF BUDGETARY PERFORMANCE 1998

1. In reviewing the report (FC 92/16; WFP/EB.A/99/5-B/1), the Committee commended its clarity and congratulated WFP on its achievements during a demanding year. It sought and obtained clarification from the WFP secretariat of a number of matters. The WFP secretariat clarified the way in which the indirect support cost rate was set and the factors that affected the recovery of the programme support and administrative (PSA) budget. The Committee noted that a large, additional contribution to WFP from the United States of America had resulted in recovery of a PSA greater than that projected in the 1998-1999 budget. In light of this unforeseen increase in PSA recovery, the Committee suggested that WFP clarify its approach to full cost recovery and calculation rates.

## B. WFP STRATEGIC AND FINANCIAL PLAN (2000-2003)

2. The Committee discussed the Strategic and Financial Plan 2000-2003 (FC 92/17; WFP/EB.A/99/5-A/1) and sought and received clarification and explanation of several aspects. The Committee suggested that it could be beneficial for WFP, FAO and IFAD to extend their co-operation to the area of strategic planning. It noted the importance of implementing the Plan's strategy in conjunction with the UN reforms such as United Nations Development Assistance Framework (UNDAF) to achieve a concerted and co-ordinated effort in pursuit of the development objectives of the partner countries. The priority accorded to the key initiatives of organizational change, resource and long-term financing, development food aid, and the financial and management improvement programme was supported by the Committee. It expressed the view that WFP would need to demonstrate its achievement of the results planned in the document and that evaluation would need to be strengthened to do this. Two members of the Committee expressed the concern of their regional group that the Plan showed only one country strategy outline and no country programmes to be approved for their region. The Committee endorsed the Plan's strategy and priorities for the period 2000-2003 and commended WFP on a clear planning document.

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### **C. FINANCIAL MANAGEMENT IMPROVEMENT PROGRAMME (FMIP)**

3. The Committee considered the document (FC 92/21; WFP/EB.A/99/5-C/1) and after clarificatory questions that were answered by the WFP secretariat, some members proposed the endorsement of the document's recommendations by the Committee. However, due to the late submission of the document, some members either had not received instructions from their capitals or had not had time to fully consider the implications.

