



**World Food  
Programme**

**Executive Board  
Annual Session**

**Rome, 25–28 May 2015**

# **RESOURCE, FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 6**

# **E**

Distribution: GENERAL

**WFP/EB.A/2015/6-C/1/Corr.1**

20 May 2015

ORIGINAL: ENGLISH

## **PROGRESS ON THE FINANCIAL FRAMEWORK REVIEW, INCLUDING INDIRECT SUPPORT COSTS**

### **CORRIGENDUM**

At its 158<sup>th</sup> Session, the FAO Finance Committee requested that the wording of point iii) of the draft decision be amended to emphasize that all uses of the Programme Support and Administrative Equalization Account balance will continue to be approved by the Board, as indicated in Conclusion 2.

The draft decision will be replaced with the attached.

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## DRAFT DECISION\*

Taking note of “Progress on the Financial Framework Review, including Indirect Support Costs” (WFP/EB.A/2015/6-C/1 + Corr.1) and the consultations to finalize the indirect support cost review, the Board:

- i) welcomes the update on the Financial Framework Review, and looks forward to further regular updates;
- ii) takes note of the conclusions of the indirect support cost review contained in this document;
- iii) takes note that all uses of the Programme Support and Administrative Equalization Account balance will continue to be approved by the Board, and endorses the use of the balance on the Programme Support and Administrative Equalization Account for the following purposes:
  - a) to cover any difference between indirect support cost income and approved Programme Support and Administrative expenditure;
  - b) as a reserve to underwrite risk of decreases in indirect support cost income or underfunding of the Programme Support and Administrative budget;
  - c) for critical corporate initiatives or thematic support funds; and
  - d) for strengthening WFP’s reserves;
- iv) endorses the use of net interest income that accrues to the unearmarked portion of the General Fund: i) to strengthen WFP’s reserves and enhance the management of financial risk; ii) to fund critical corporate initiatives if funds in the Programme Support and Administrative Equalization Account are insufficient; and iii) to fund recurring costs only as a last resort; and
- v) looks forward to the further review of the Programme Support and Administrative Equalization Account target level.

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\* 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.