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**Executive Board
Annual Session**

Rome, 3–6 June 2013

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

For approval



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REVIEW OF FINANCIAL REGULATION 9.2

Timing of the Management Plan

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

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.

Director, RMB*: Mr F. Curran tel.: 066513-2408

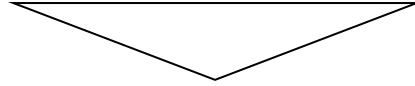
Chief, RMBB**: Mr C. Gardner tel.: 066513-2077

Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Budget and Programming Division

** Organizational Budgeting Service

DRAFT DECISION*



The Board approves a change to Financial Regulation 9.2, by which the proposed Management Plan shall be circulated to members of the Board no later than 30 days before its last regular session of each calendar year. It requests that the Secretariat provide a draft of the Management Plan prior to the last informal consultation on the proposed Management Plan so that all comments and concerns can be taken into consideration before the document is finalized.

* 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.

ISSUE

1. In accordance with Financial Regulation 9.2, the Executive Director shall circulate the proposed Management Plan to members of the Board not later than 60 days before the last regular session of each calendar year. Since the regulation was adopted in 1992, compliance with it has proven difficult. Recent Management Plan documents have sought exemption from it under Financial Regulation 2.1.¹
2. The Secretariat shares preliminary operational and budgetary figures with the Board and works in conjunction with it to establish priorities for the planning cycle. This consultative process ensures robust dialogue.
3. During informal consultations on the Management Plan (2013–2015) and meetings of the Food and Agriculture Organization of the United Nations (FAO) Finance Committee and the Advisory Committee and Administrative and Budgetary Questions (ACABQ), it was recommended that the Secretariat review the regulation and propose a more appropriate deadline. The deadline should take into consideration the time needed for the consultative process as well as the efficiency of electronic dispatch and web posting for document dissemination, while continuing to allow adequate time for the Board and governments to review the document prior to the last regular session of each calendar year.

BACKGROUND

4. The Committee on Food Aid Policies and Programmes approved the WFP Financial Regulations with an effective date of 1 January 1992.² The revised rules and regulations required the Management Plan to be submitted to Board members not later than 60 days prior to the last regular session of each calendar year.

Development Process of the Management Plan

5. As noted in the Management Plan (2013–2015) it is necessary to balance the document's accuracy in terms of requirements and forecasts with its timely submission to the Board. With the 2011 shift to an annual budget cycle, the timeframe for developing this comprehensive governance document was further shortened.
6. Compilation of projected operational requirements and Programme Support and Administrative (PSA) budget requests typically begins in April. Preliminary figures are reviewed internally and validated during the second and third quarters of the year to ensure that the resources required support implementation of the Strategic Plan. In parallel to its internal review, the Secretariat hosts a series of informal consultations with the Board to provide an overview of the preliminary resource requirements, address any concerns and questions, and engage in a dialogue regarding PSA priority areas and strategic direction. These informal consultations ensure that the Board's views are taken into consideration while the budget requirements are being finalized.

¹ “These Financial Regulations, adopted pursuant to General Regulation XIV.5, shall govern the financial management of the WFP Fund. The Board may, in exceptional circumstances, grant exemptions from these Financial Regulations.”

² WFP/CFA/33-16, p. 18.

Exemption from Financial Regulation 9.2

7. At the third informal consultation on the Management Plan (2013–2015) held on 5 September 2012, the Executive Director announced that the Secretariat would again seek exemption from Financial Regulation 9.2. Members indicated willingness to review the regulation. A review was also supported in the FAO Finance Committee and the ACABQ.

8. Excerpt from the report of the ACABQ (WFP/EB.2/2012/5(A,B,C)/2), paragraph 18:

*Finally, the Advisory Committee notes the proposal on page 13 of the report relating to the requirement for the submission of the Management Plan to the Members of the Board not later than 60 days before the session. WFP has not been able to meet this requirement, due to the frequency of sessions, and proposes an exemption from the related provisions under Financial Regulation 9.2 containing this requirement. **The Advisory Committee has no objection to the approval of an exemption from Financial Regulation 9.2 for this purpose, and further recommends that WFP undertake to amend the relevant Financial Regulation as appropriate.***

9. Excerpt from the report of the FAO Finance Committee (WFP/EB.2/2012/5(A,B,C)/3), paragraph 20:

*The Committee **considered** the request for an exemption from Financial Regulation 9.2 and noted that this was a recurring request. After lengthy discussions, the Committee **recommended** that the Secretariat submit a proposal to the Bureau to consider how to proceed with this matter.*

REVIEW OF FINANCIAL REGULATION 9.2 AND THE SECRETARIAT'S PROPOSAL

10. Dates of submission of recent WFP Management Plans are shown in Table 1.

TABLE 1: DATES OF SUBMISSION OF RECENT WFP MANAGEMENT PLANS			
Title	Date of posting in English	Date of Board session	No. of days prior to Board session
WFP Management Plan (2013–2015)	12 October 2012	12–14 November 2012	31
WFP Management Plan (2012–2014)	17 October 2011	14–17 November 2011	28
Biennial WFP Management Plan and budget cycle			
WFP Biennial Management Plan (2010–2011)	9 October 2009	9–12 November 2009	31
WFP Biennial Management Plan (2008–2009)	28 September 2007	22–25 October 2007	24
WFP Biennial Management Plan (2006–2007)	24 September 2005	7–11 November 2005	44
WFP Biennial Management Plan (2004–2005)	11 September 2003	20–24 October 2003	39

11. The Secretariat examined the development process of the Management Plan and the requirements of the advisory bodies and the Board so that they have adequate time to review the document. Following this review, and consistent with the recent posting dates for the Management Plan, it proposes a revision to Financial Regulation 9.2 at the 2013 Annual Session whereby the Management Plan shall be circulated to members not later than 30 days before the last regular session of each year. The Secretariat believes that advances in technology which now allow the rapid dissemination of documents will provide the necessary time for due consideration of the Management Plan by the advisory bodies and consultation with governments.
12. The Secretariat will also ensure that a draft of the Management Plan is circulated prior to the last informal consultation with the Board in order to allow all comments and concerns to be reflected in the final proposed Management Plan, which will be circulated at least 30 days in advance of the last regular session of each calendar year.

Proposed Change to Financial Regulation 9.2

Current Text	Proposed Text
<p>The Executive Director shall submit the proposed Management Plan, as well as the reports thereon of the ACABQ and Finance Committee, to the Board at its last regular session of each calendar year. The proposed Management Plan shall be circulated to members of the Board not later than 60 days before the session.</p>	<p>The Executive Director shall submit the proposed Management Plan, as well as the reports thereon of the ACABQ and Finance Committee, to the Board at its last regular session of each calendar year. The proposed Management Plan shall be circulated to members of the Board not later than 30 days before the session.</p>