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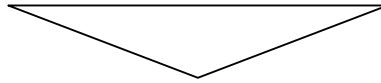
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REVISED DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR FOR APPROVAL OF PROJECTS AND BUDGET REVISIONS FOR DEVELOPMENT PORTFOLIO



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DRAFT DECISION*



The Board approves the following recommendations relating to delegated authority to approve country programmes and related budget revisions:

- i) abolition of the 10 percent limit on reallocation of resources between country programme components to facilitate adjustments to country programmes;
- ii) inclusion of changes in orientation of country programme components in the budget revision procedure under the delegated authority of the Executive Director;
- iii) approval for receiving and programming additional directed resources to country programmes, keeping the Board regularly informed.

* 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.



INTRODUCTION

1. In its report approved by the Board in 2000, the Working Group on Governance (WG/G) recommended that the Board should “focus on strategy, policy, oversight and accountability” and that “the Secretariat should be tasked to come forward with proposals for revised programming principles (including levels of delegated authority) for country programmes and for projects and operations outside country programmes”. The WG/G saw “scope for rationalizing and simplifying the approaches currently applied... [and that] the authorities delegated to the Executive Director could usefully be reviewed to see how far they remain appropriate to WFP’s circumstances in the early 21st century”.
2. In 2002, the Board approved the no-objection mechanism for approving country programmes (CPs), committing WFP to integrating CPs and their implementation with the programme cycles of the United Nations Children’s Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the other agencies of the Executive Committee of the United Nations Development Group (UNDG) – ExCom –in line with the simplification and harmonization (S&H) process. The main aim of S&H is to reduce the transaction costs of counterpart governments; it is being strengthened with the establishment of common procedures such as monitoring and evaluation (M&E) guidelines, resource transfer modalities and joint programming. The ExCom agencies are reviewing their programme modalities to improve alignment with S&H requirements.
3. In October 2004, the Board approved an increase to the Executive Director’s delegated authority for approval of protracted relief and recovery operations (PRROs) and budget revisions (WFP/EB.3/2004/12-C), which strengthened decentralized management in WFP leading to more decision-making authority being devolved to regional and country directors.
4. WFP has examined its programme guidance for the development portfolio, which includes CPs and development projects, in the light of S&H and has provided up-to-date guidance for country offices on development programming. To improve the operational efficiency of its development projects and CPs, WFP needs to simplify the additional procedures discussed below.

INCREASING THE DELEGATED AUTHORITY TO REALLOCATE RESOURCES BETWEEN CP COMPONENTS

5. Under WFP’s current procedures, authority is delegated to the Executive Director in accordance with Regulation VI.2 (c) and the appendix to the General Rules on Delegation of Authority to the Executive Director as follows:
 - a) Development projects
 - Approval of projects that are in line with an approved Country Programme, as well as the reallocation of resources among programme activities, up to a maximum of 10 percent of their cost estimates, subject to the availability of resources.
6. Any additional reallocation over 10 percent between CP components requires the approval of the Executive Board.



7. CPs require the flexibility to shift resources between components if some components do not perform at the desired level or there is a need to reduce or eliminate a component in agreement with the implementing partner or government counterpart.
8. The 10 percent limit imposed on reallocation of resources between CP components often delays implementation of adjustments to the CP because a request for a revision from the country office may not coincide with a Board session, so the country office has to wait for a subsequent session to present a change for approval.
9. Abolition of the 10 percent limit on reallocation of resources will enable country directors in consultation with the implementing partner or government counterpart to speed up the revision process and manage the resources of CP components more effectively. Revisions will be based on regular assessment of CP needs and performance at the country level. In line with other ExCom agencies, WFP will maintain only core components in its CPs and will intensify its resource mobilization for CPs at the local, regional and Headquarters levels.

INCLUSION OF CHANGES IN ORIENTATION OF CP COMPONENTS UNDER THE DELEGATED AUTHORITY OF THE EXECUTIVE DIRECTOR

10. Currently, changes in the orientation of CP components have to be presented to the Board for approval, even when there is no change in the total approved value of the CP.
11. Changes in component orientation occur when WFP needs to accommodate:
 - i) changes in government policy on food security or new strategies for food assistance, for which new activities may be designed or existing ones modified;
 - ii) new initiatives with other United Nations agencies in an existing CP; or
 - iii) reorientation resulting from low performance of a component that leads to its substitution or elimination in consultation with the government counterpart.
12. This change in component orientation, which is based on a thorough situation analysis, may be effected through a budget revision as part of the delegated authority of the Executive Director without affecting the overall approved costs of the CP. The country office will submit justification for requesting a change.

RECOMMENDATIONS

13. The Secretariat presents for the Board's approval the following recommendations relating to the current delegated authority to approve CPs and related budget revisions:
 - abolition of the 10 percent limit on reallocation of resources between CP components to facilitate adjustments to country programmes;
 - inclusion of changes in orientation of CP components in the budget revision procedure under the delegated authority of the Executive Director;
 - approval for receiving and programming additional directed resources to CPs, keeping the Board regularly informed.



ANNEX

**Proposed re-wording* for
“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

~~Approval of projects that are in line with an approved Country Programme, as well as the Reallocation of resources among programme activities~~
components on the basis of assessment of the situation, needs and performance of the components of a country programme, ~~up to a maximum of 10 percent of their cost estimates,~~ 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.

* Proposed additional wording is denoted by **bold, underlined** lettering, while proposed deletions of the original wording is denoted by ~~strike through~~.



- (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 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.

