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**Executive Board
Annual Session**

Rome, 6–10 June 2005

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6



Distribution: GENERAL

WFP/EB.A/2005/6(A,B,C,D,E)/2

WFP/EB.A/2005/5-A/2

27 May 2005

ORIGINAL: ENGLISH

REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (ACABQ)

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

- Strategic Plan 2006–2009 (WFP/EB.A/2005/5-A);
- Consolidated Financial Report (WFP/EB.A/2005/6-A/1);
- Report of the External Auditor on the Upgrade of the WFP Information Network and Global System (WFP/EB.A/2005/6-B/1/Rev.1);
- Follow-Up on the Recommendations of the External Auditor (WFP/EB.A/2005/6-C/1);
- Business Process Review: Progress Report on Implementation (WFP/EB.A/2005/6-D/1); and
- Update to the WFP Management Plan for 2004–2005 (WFP/EB.A/2005/6-E/1).

COPY OF LETTER RECEIVED FROM THE UNITED NATIONS—NEW YORK

Reference: AC/1568

Advisory Committee on
Administrative and Budgetary Questions

24 May 2005

Dear Mr. Morris,

Please find attached a copy of the report of the Advisory Committee on Administrative and Budgetary Questions on its consideration of the reports entitled: Strategic Plan 2006-2009 (WFP/EB.A/2005/5-A), Report of the External Auditor on the Upgrade of the WFP Information Network and Global System (WFP/EB.A/2005/6-B/1/Rev.1), Follow-up on the Recommendations of the External Auditor (WFP/EB.A/2005/6-C/1), Consolidated Financial Report (WFP/EB.A/2005/6-A/1), Business Process Review: Progress Report on Implementation (WFP/EB.A/2005/6-D/1), and the Update to the WFP Management Plan for 2004–2005 (WFP/EB.A/2005/6-E/1).

Please bring the foregoing report to the attention of the Executive Board.

Yours sincerely,

(signed)

Vladimir V. Kuznetsov
Chairman

Mr. James T. Morris
Executive Director
World Food Programme
Via Cesare Giulio Viola, 68-70
00148 Rome
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WORLD FOOD PROGRAMME

Policy Issues, Resource, Financial and Budgetary Matters

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee met with the representatives of the Executive Director of the WFP to discuss the following reports to be submitted to the Executive Board at its next annual session:

- for approval, the Strategic Plan 2006-2009 (WFP/EB.A/2005/5-A);
- for consideration, two reports of the External Auditor on the Upgrade of the WFP Information Network and Global System (WFP/EB.A/2005/6-B/1/Rev.1) and the Follow-up on the Recommendations of the External Auditor (WFP/EB.A/2005/6-C/1);
- for information, the Consolidated Financial Report (WFP/EB.A/2005/6-A/1), Update to the Management Plan for 2004–2005 (WFP/EB.A/2005/6-E/1) and the Progress Report on the Implementation of the Recommendations of the Business Process Review (WFP/EB.A/2005/6-D/1).

Strategic Plan 2006-2009

2. The Advisory Committee notes the five strategic areas on which WFP operations will focus to attain the central goal of hunger reduction:

- save lives in crisis situations;
- protect livelihoods in crisis situations and enhance resilience to shocks;
- support the improved nutrition and health status of children, mothers and other vulnerable people;
- support access to education and reduce gender disparity in access to education and skills training; and
- strengthen the capacities of countries and regions to establish and manage food-assistance and hunger reduction programmes.

3. The WFP Strategic Plan covers a four-year period and is submitted on a rolling basis every two years, with the first strategic plan using this format being approved for the 2004-2007 period. The Strategic Plan is intended to guide all WFP activities and provides the framework for the establishment of the biennial management plan. In addition to the strategic objectives for the next four-year period, the document sets out the management objectives for developing capacity and effectiveness, an assessment of the risks faced and opportunities available to organization. It also provides a longer term perspective with a separate chapter on the Strategic Direction of WFP towards 2015, aiming to establish linkages between the four-year Strategic Plan and WFP's vision of its contribution to the achievement of the Millennium Development Goals as well as an analysis of the institutional characteristics, capacity and operational performance required to achieve these goals.

4. The Advisory Committee commends WFP on its presentation of a comprehensive, transparent, institutional strategy for fulfilling its mandate and its contribution to the achievement of Millennium Development Goals, based on wide-ranging consultations with staff and partners, an analysis of the global context, as well as a lucid assessment of its own strengths and weaknesses. The Committee is also pleased to note the continued efforts made towards introducing results-based management and strengthening performance reporting through monitoring and evaluation.

5. The Committee emphasizes the importance of working in close and complementary partnership with other agencies, funds and programmes of the United Nations System to ensure that there is no duplication of common efforts towards the achievement of the Millennium Development Goals.



During its consideration of the budget of peacekeeping operations for the 2005/06 financial year in February 2005, the Committee also noted the role of WFP in supporting and sustaining peace-building efforts, for example, in the context of complex, integrated missions, through food-distribution to ex-combatants as part of disarmament, demobilization and reintegration (DDR) initiatives. In its general report on peacekeeping operations (A/59/736), the Advisory Committee stressed the need for all participating agencies to coordinate closely for the mobilization of voluntary contributions for humanitarian activities. In light of these remarks, the Advisory Committee recommends that the text of the Draft Decision proposed to the Executive Board of WFP on the Strategic Plan 2006–2009 (WFP/EB.A/2005/5-A) be adapted to indicate that WFP will continue to work in partnership with other United Nations agencies, funds and programmes towards its contribution to the relevant Millennium Development Goals.

6. With respect to specific initiatives concerning staff outlined under Management Objective 2, the Advisory Committee emphasizes the necessity of coordinating closely with ICSC on these matters. The Committee welcomes WFP's decision to join the common ICSC pilot project for a broadbanding / pay for performance system and looks forward to receiving an analysis of the results obtained. Concerning the National Staff Project outlined in paragraph 63 on "harmonizing and standardizing the contractual framework, payroll, employment conditions, pension and health insurance coverage ...", the Committee cautions against the implementation of any modalities which are not in strict compliance with the common system of salaries, allowances and other conditions of service, which can only be approved by the General Assembly. The Committee will revert to this matter in the context of its consideration of the next WFP budget proposals.

Reports of the External Auditor

7. The Advisory Committee has taken note of the Reports of the External Auditor on the Upgrade of the WFP Information Network and Global System (WFP/EB.A/2005/6-B/1/Rev.1) and the Follow-Up on the Recommendations of the External Auditor (WFP/EB.A/2005/6-C/1).

