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Housing allowance of the Executive Director

Five-yearly review

Draft decision*

The Board decides that the Executive Director's housing allowance shall be set at EUR 160,000 per year, inclusive of services and utilities, with effect from 1 April 2017 until further notice. Based on a security risk assessment, WFP will also provide and maintain necessary security equipment, which will remain WFP property.

The Board further decides that the housing allowance shall continue to be a reimbursement for the actual cost of a property, shall continue to be indexed annually against the Italian retail price index and shall be reviewed at five-year intervals by the Bureau and the Board, taking into account market rates and the allowances paid to the heads of other United Nations agencies in Rome.

1. At its 2012 second regular session, the Board approved the Executive Director's housing allowance by its decision 2012/EB.2/33 of 15 October 2012,¹ which set the allowance at EUR 160,000 per year inclusive of services and utilities effective from 1 April 2012. The Board further decided to reconfirm its decision 2007/EB.1/17 of 22 February 2007² that the housing allowance would continue to be a reimbursement of the actual cost of a property, would continue to be indexed annually against the Italian retail price index and would be reviewed at five-year intervals by the Bureau and the Board, taking into account market rates and the allowances paid to the heads of other United Nations Rome-based agencies.

* 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.

¹ WFP/EB.2/2012/13-A/1.

² WFP/EB.1/2007/17.

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2. The five-yearly review of the housing allowance is due in 2017. The methodology used for the review follows the guidelines of the Italian national institute for statistics (*Istituto nazionale di statistica – Istat*) regarding measuring and comparing inflation rates in the European Union. It uses the Harmonized Index of Consumer Prices (HICP) calculated according to the European Union regulations in force, which provide comparable measures of inflation in the eurozone. The index for Housing, Water, Electricity and Fuel (HWEF) is a sub-index of the HICP and is the most relevant sub-index in this case. Table 1 shows HICP values increased slightly and that HWEF values decreased slightly during the period April 2012–April 2017, from a base of EUR 160,000.

TABLE 1: CHANGES IN HICP AND HWEF VALUES, APRIL 2012–APRIL 2017

		Increase according to HICP index	Increase according to HWEF index
Housing allowance base value (April 2012)	EUR	160 000	
Index change	%	1.60%	-1.10%
April 2012–April 2017	EUR	2 560	-1 760
Reviewed housing allowance (April 2017)	EUR	162 560	158 240

Source: Istat, July 2017.

3. Application of the HICP and HWEF indices to the 2012 housing allowance leads to the conclusion that the current allowance should be maintained; that conclusion is reinforced by information obtained by WFP from an Italian real estate consultancy firm that analyses trends in house rental markets in Rome. That analysis shows that upmarket property rents are in line with those of 2012.
4. At its thirty-ninth session, in June 2015, the Conference of the Food and Agriculture Organization of the United Nations (FAO) decided, in its resolution 14/2015, to maintain the expenditure ceiling for the FAO Director-General's accommodation and related expenses at EUR 180,000 for the four-year period from August 2015 to July 2019 – the same level as approved for the previous four-year period in 2011. Similarly, at its fortieth session the Governing Council of the International Fund for Agricultural Development (IFAD), in its resolution 192/XL in February 2017, confirmed the housing allowance for the President of IFAD at EUR 180,000 per year for the four-year period beginning in April 2017. That allowance too remained unchanged from the allowance for the previous four-year period approved in 2013.
5. Taking into consideration the market rates and the allowances paid to other United Nations agency heads in Rome, the Secretariat proposes that the 2017 base value for the housing allowance be maintained at EUR 160,000 per year, inclusive of services and utilities.