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COUNCIL

Hundred and Sixty-fourth Session

Rome, 8-12 June 2020

Report of the 179th Session of the Finance Committee (6-7 February 2020)

Executive Summary

At its 179th Session, the Committee reviewed the *Update on the Integrated Road Map: Proposed delegations of authority and other governance arrangements* prior to its consideration by the WFP Executive Board.

Suggested action by Council

The Council is invited to note the views and recommendations of the Finance Committee.

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Introduction

1. The Committee submitted to the Council the following report of its Hundred and Seventy-ninth Session.

2. In addition to the Chairperson, Ms Imelda Smolcic Nijers (Uruguay), the following representatives of Members were present:

- Ms Kristina Gill (Australia)
- Mr Manash Mitra (Bangladesh)
- Mr Rodrigo Estrela de Carvalho (Brazil)
- Mr Haitham Abdelhady Elsayed Elshahat (Egypt)
- H.E. Zenebu Tadesse Woldetsadik (Ethiopia)
- Mr Ramón Lohmar (Germany)
- Mr Toru Hisazome (Japan)
- Mr Benito Santiago Jiménez Sauma (Mexico)
- Ms Tahirou Rahila Rabiou (Niger)
- Mr Vladimir V. Kuznetsov (Russian Federation)
- Mr Sid Ahmed M. Alamain Hamid Alamain (Sudan)
- Ms Elizabeth Petrovski (United States of America)

3. The Chairperson informed the Committee that:

- Ms Kristina Gill (Australia) had been designated to replace Ms Lynda Hayden as the representative of Australia for this session;
- Mr Addisu Melkamu Kebede (Ethiopia) had been designated to replace H.E. Zenebu Tadesse Woldetsadik as the representative of Ethiopia for part of this session;
- Mr Ramón Lohmar (Germany) had been designated to replace Mr Heiner Thofern as the representative of Germany for this session; and
- Ms Elizabeth Petrovski (United States of America) had been designated to replace Ms Emily Katkar as the representative of the United States of America for this session.

4. A summary of the qualifications of the substitute representatives can be downloaded from the Governing and Statutory Body Web site at: <http://www.fao.org/unfao/govbodies/gsbhome/finance-committee/substitute-representatives/en/>

5. In addition, silent observers from the following Members attended the 179th Session of the Committee:

- China
- Costa Rica
- Cyprus
- Dominican Republic
- India
- Ireland
- Israel
- Malta
- Monaco
- Netherlands
- United Kingdom

World Food Programme Matters

Update on the Integrated Road Map: Proposed delegations of authority and other governance arrangements

6. The Committee welcomed the document “Update on the Integrated Road Map: proposed delegations of authority and other governance arrangements”, which would be presented for approval at the 2020 first regular session of the WFP Executive Board.
7. The Committee appreciated the consultative process that had resulted in adjustments being made following the 2019 Second Regular Session, including removing the word “permanent” with respect to delegations of authority, and introducing the USD 150 million absolute value threshold in addition to the proportion-based threshold for the Member State review of crisis response-related revisions to ensure additional visibility for Country Strategic Plans/Interim Country Strategic Plans (CSPs/ICSPs) of significant operational size.
8. The Committee noted the draft decision regarding a commitment to review the delegations of authority in five years, at the 2025 First Regular Session. It acknowledged the rationale provided in the document, to ensure a sufficient time period for evidence gathering and learning, and to take full account of the next generation of CSPs and the impacts of United Nations reform. The Committee recalled the Executive Board’s prerogative to conduct an earlier review of the delegations of authority and suggested that this be reflected in a revised draft decision.
9. The Committee also reviewed the proposals relating to delegations of authority and the normative amendments to WFP General Rule II.2, General Rule X.2 and General Rule XIII.4 to facilitate the implementation of the multi-country strategic plans (MCSPs) concept that require approval by the WFP Executive Board.
10. The Committee recalled that interim delegations of authority were in place from 1 January 2018 to 29 February 2020. It welcomed lessons learned and findings from the review of their application in 2018 and 2019 which in turn informed the development of proposed delegations of authority set forth in Annex III of the document. Within this context, the Committee appreciated that the Executive Board’s fundamental role of approval and oversight had increased, as demonstrated in the documentation, and was reassured that it would be maintained.
11. The Committee noted that, if approved, amendments to the Appendix to the General Rules and General Rule II.2, General Rule X.2 and General Rule XIII.4 would take effect on 1 March 2020.
12. The Committee also reviewed other governance arrangements including the streamlined consultation process, the five-day Member State review process for crisis response-related revisions and efforts to further enhance the transparency of WFP’s operations by improving the CSP data portal and implementing an email notification system to alert Member States to all budget revisions, regardless of the value, on the day of approval.
13. The Committee noted that the Secretariat was considering including in the CSP data portal data from limited emergency operations and CSPs and ICSPs that are funded entirely by host countries that have not requested Board approval and supported inclusion of this information.
14. The Committee recognized the value of the consultation process for CSPs and ICSPs submitted to the Board for approval, emphasizing the benefits of local stakeholder engagement as well as the input of the Membership into CSP and ICSP revisions when appropriate. In response to an inquiry on the Secretariat’s previously stated intentions to conduct a review of the streamlined consultative process for CSPs and ICSPs that would be submitted to the Executive Board for approval from the 2020 Second Regular Session, the Secretariat confirmed, as previously agreed, that the

process would be reviewed in mid-2021. The Secretariat confirmed that the “Update on the Integrated Road Map” document would be revised to make reference to a review of this process in 2021.

15. In relation to the Member State review of crisis response-related revisions, the Committee sought clarification and was reassured of the rationale for the WFP Executive Director, and where required, the FAO Director-General, employing, in exceptional circumstances, the approval of such revisions without sharing them for comment beforehand. Recognizing that the revisions would be shared for comment after approval, the Secretariat explained its need to retain flexibility to ensure timely, swift and effective response in such circumstances as well as the guiding factors that would be considered to determine the exceptional employment of the waiver.

16. The Committee sought clarification on the proposed delegations of authority for the approval of revisions relating to non-crisis-related revisions and was informed that the Executive Board would approve each non-crisis related revision of a CSP or ICSP that increased its current overall budget by more than 15 percent except when the CSP, ICSP or the Strategic Outcome was funded entirely by a host country that had not requested Executive Board approval or where the strategic outcome related to emergency activities or service provision activities.

17. In relation to the efficiency gains achieved as the result of implementation of the delegations of authority within the IRM framework the Committee inquired about the possibility of calculating an amount of efficiency savings because of these changes. The Secretariat assured of its intention to explore the possibility and to come up with the results at the June 2020 session of the Finance Committee on WFP matters.

18. **The Committee:**

- a) **recalled the decision of the Executive Board at its 2017 Second Regular Session approving interim delegations of authority from 1 January 2018 to 29 February 2020 and deciding that delegations of authority would be presented for approval of the Executive Board at its 2020 First Regular Session following a review of the application of the interim delegations of authority;**
- b) **recalled the Committee’s review of findings and proposals in respect of delegations of authority at its 177th Session and its request to the Secretariat to continue to work on the proposals with a view to finalizing and submitting them to the Board for approval at its 2020 First Regular Session;**
- c) **recommended that the WFP Executive Board approve the delegations of authority presented in document WFP/EB.1/2020/4-A/1 to become effective as of 1 March 2020;**
- d) **without prejudice to the authority of the WFP Executive Board to conduct such a review at any time, supported the proposal that the Executive Board may further revise those delegations of authority following a review of them at its 2025 First Regular Session and recommended that the following text be added to draft decision part iii: “without prejudice to the authority of the WFP Executive Board to conduct such a review at any time”; and**
- e) **recommended that the WFP Executive Board approve the multi-country strategic plans concept and the revisions to the WFP General Rules required to implement it set forth in document WFP/EB.2/2019/4-D/1.**

Other Matters

Date and Place of the Hundred and Eightieth Session

19. The Committee was informed that the 180th Session was scheduled to be held in Rome from 18 to 22 May 2020.

Any Other Matters - Proposal for streamlining and adding value in WFP Governing Body reporting on internal control and oversight matters

20. The Committee took note of a non-paper provided by the Secretariat with a proposal for streamlining and adding value in WFP governing body reporting on internal control and oversight matters and requested that the item be placed on the agenda of the June 2020 session of the Finance Committee on WFP matters.