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COUNCIL

Hundred and Fifty-ninth Session

Rome, 4-8 June 2018

Report of the 171st Session of the Finance Committee (29-31 May 2018)

Executive Summary

At its 171st Session, the Committee considered a number of financial, budgetary and oversight matters relating to the World Food Programme (WFP), prior to their consideration by the Annual Session of the WFP Executive Board in June 2018.

The Committee:

- **Informs Council** of its findings and recommendations on these matters.
- **Makes a recommendation** to the Council on the proposed amendment to the FAO Staff Regulations allowing implementation of the new mandatory age of separation for WFP staff members (para 70).

Suggested action by Council

The Council is invited to:

- a) note the views and recommendations of the Finance Committee in respect of matters to be considered by the Annual Session of the WFP Executive Board in June 2018.
- b) endorse the recommendation of the Committee on the proposed amendment to the FAO Staff Regulations allowing implementation of the new mandatory age of separation for WFP staff members.

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Introduction

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

2. In addition to the Chairperson, Mr Lupiño jr.Lazaro, the following representatives of Members were present:

- Mr Carlos Alberto Amaral (Angola)
- Ms Kristina Gill (Australia)
- Mr Manash Mitra (Bangladesh)
- Ms Gianina Müller Pozzebon (Brazil)
- Mr Ni Hongxing (China)
- Mr Khaled M.S.H. Eltaweel (Egypt)
- Mr Mateo Nsogo Nguere Micue (Equatorial Guinea)
- Ms Hannah Laubenthal (Germany)
- Mr Benito Santiago Jiménez Sauma (Mexico)
- 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:

- Mr Angelo Rafael (Angola) had been designated to replace Mr Carlos Alberto Amaral as the representative of Angola for part of this session;
- Ms Kristina Gill (Australia) had been designated to replace Ms Cathrine Stephenson as the representative of Australia for this session;
- Ms Gianina Müller Pozzebon (Brazil) had been designated to replace Mr Antonio Otávio Sá Ricarte as the representative of Brazil for this session;
- Mr Cui Jishun (China) had been designated to replace Mr Ni Hongxing as the representative of China for part of this session;
- Ms Hannah Laubenthal (Germany) had been designated to replace Mr Heiner Thofern as the representative of Germany for this session; and
- Ms Elisabeth Petrovski (United States of America) had been designated to replace Mr Thomas Duffy 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 171st Session of the Committee:

- Dominican Republic
- Finland
- France
- Hungary
- Norway
- United Kingdom

World Food Programme Matters

Audited Annual Accounts, 2017

6. The Committee discussed WFP's Audited Annual Accounts 2017, supported by a briefing made by the WFP Secretariat which detailed key elements within the Audited Financial Statements.
7. The Committee was informed of the main reasons behind movements in key elements of Financial Statement II which contributed to the 2017 surplus of USD 212 million, a decrease compared with the surplus in 2016 (USD 541 million). This surplus resulted from an increase in contribution revenue (USD 6 billion against USD 5.8 billion in 2016) which, in accordance with International Public Sector Accounting Standards (IPSAS), was recognized when confirmed in writing by donors and where the contribution was stipulated for the current financial reporting year, and the increase in total expenses (USD 6.2 billion against USD 5.4 billion in 2016) which were recognized when goods and services were delivered.
8. The Committee was informed of the main reasons behind movements in the key elements of Statement I: the increase in cash and short-term investments by USD 491 million; the increase in current contributions receivable by USD 767 million; the increase in deferred revenue by USD 942 million, and the increase in employee benefit liabilities by 176 million. The Committee was informed that overall budgetary utilization in 2017 was 59 percent of the final needs-based budget in Financial Statement V.
9. The Committee was informed of the accounting policy change to adopt the new IPSAS 39 on employee benefits. As a result, the net assets at the end of 31 December 2016 were restated and decreased by USD 42.5 million. The Committee was also informed of the implementation of new standards IPSAS 34-38 which required accounting for interests in other entities and that resulted in additional note disclosures.
10. The Committee was informed that in 2017 the Secretariat continued the practice of including a Statement on Internal Control, signed by the Executive Director, to provide assurance on the effectiveness of internal control in WFP. The Committee was informed that a 100 percent submission rate of Assurance Statements by all directors had been achieved. In addition, it was informed that the Statement on Internal Control included two new internal control weaknesses that arose in 2017, on beneficiary management and IT governance, controls and cybersecurity.
11. The Committee requested clarification on several technical aspects of the 2017 Annual Accounts:

Statement II (Statement of Financial Performance)

12. The Committee noted the increase in cash-based transfer (CBTs) expenses that reached USD 1.4 billion in 2017 and requested clarification on whether this trend would continue. The Committee was informed that CBTs were expected to account for USD 1.76 billion (32 percent) of the implementation plan included in the 2018 Management Plan. The Committee was assured by management that a structured approach to CBT risk and controls review had been introduced as a second line of defence tool, on the roll out of the WFP's beneficiary and Transfer-management Platform (SCOPE) system by 2019, as well as on the enhanced retail data analysis capacity in line with an External Audit recommendation.
13. The Committee noted that due to the presentation of expenses by nature, the distinction between direct and indirect costs was not visible. The Committee was informed that this information was included in Statement V and would be further improved going forward.

Statement I (Statement of Financial Position)

14. The Committee noted the 96 percent increase in deferred revenue and inquired on the treatment of delays or defaults on the contribution payments. The Committee was informed that all contribution receivables were recognized and could be deployed when confirmed in writing by the donor. WFP recognized impairment for a small portion of contribution receivables that would not be collected.

15. On the increase in the impairment for non-food items and VAT receivables, the Committee was informed that an increase in the impairment for non-food items was a result of the regular inventory review process. Outstanding VAT claims were impaired when there was low expectation of payment and written off when collection efforts were exhausted.

Statement V (Statement of Comparison of Budget and Actual Amounts)

16. The Committee inquired on how the prioritization was performed considering the funding gap between needs and resources available and the utilization rate of 59%, and how the prioritization reflected WFP's overall priorities. The Committee was informed that nearly 95% of funds were directed by donors, and WFP engaged with donors through a structured process to communicate WFP's prioritization views.

Statement on Internal Control

17. The Committee welcomed WFP's commitment to addressing risk and internal control issues and inquired as to the implementation status of WFP's People Strategy; the relationship between the anti-fraud anti-corruption function of the new Enterprise Risk Management division and that of the Office of the Inspector General; and the utility of publication of internal audit and investigation reports. The Committee was informed that some aspects of the People Strategy were incomplete and that WFP was conducting workforce planning exercises and addressing skills gaps. The Committee was also informed that WFP understood the importance of defining the roles and responsibilities of, and strengthening the second line of defence on anti-fraud and anti-corruption work and the distinct division of labour between the second and third lines of defence.

External Audit Recommendations

18. The Committee noted that the Secretariat had accepted *inter alia* the 2017 audit recommendations in the areas of cash-based transfers, SCOPE, contributions receivable, Country Office tool for managing effectively (COMET) system and IT application controls and encouraged the Secretariat to implement these recommendations on a timely basis.

19. The Committee:

- c) **examined WFP's 2017 Audited Financial Statements together with the Audit Opinion and the Report by the External Auditor;**
- d) **noted that the External Auditor had completed the audit in accordance with the International Standards of Auditing, and had provided an unqualified audit opinion;**
- e) **noted and appreciated the Statement on Internal Control and the actions being taken to address risk and control issues highlighted therein, as well as the ongoing work on improvement areas identified in the 2016 Statement of Internal Control; and**
- f) **recommended that the Executive Board approve the 2017 Annual Financial Statements of WFP, together with the Report of the External Auditor.**

Update on the Integrated Road Map

20. The Committee welcomed the update on the implementation of the Integrated Road Map (IRM) which would facilitate WFP's support to countries' work to end hunger especially the most

food insecure people and demonstrate WFP's contributions and commitment to achieving the goals of the 2030 Agenda for Sustainable Development, in particular SDGs 2 and 17.

21. The Committee noted that a total of 67 country offices had successfully transitioned to the IRM framework, that an additional three country offices would transition in July 2018 pending Executive Board approval at the 2018 Annual Session, and that the remaining 11 country offices would continue under the project-based system, aiming to transition into the CSP framework by early 2019.

22. The Committee noted that lessons learned continued to be gathered to benefit the IRM processes and that conclusions from a recently published internal audit of IRM's pilot phase and an on-going evaluation of country strategic plan pilots were being carefully considered by management.

23. The Committee noted the two-step consultation process with the Executive Board prior to submitting country strategic plans or interim country strategic plans for approval. The Committee recognized the opportunity this would provide Member States to provide strategic and detailed feedback while acknowledging the prerogatives of national governments on the establishment of their national priorities. The Committee was further reassured that documents, including concept notes, would be received by deadlines established.

24. The Committee was informed that while WFP General Regulation XIII.2, which set out the full cost recovery principle, would remain unchanged, adjustments to General Rule XIII.4 and related financial regulations were required to incorporate IRM terminology and the revised full cost recovery formulation.

25. The Committee reviewed the nine recommendations emerging from the review of full cost recovery in the areas of twinning; exemptions from and waivers of indirect support costs; adjusted direct support cost rates for mandated common services; handling of revenue generated from the on-demand provision of services; trust funds; and contributions to the Operational Reserve.

26. In response to questions associated with Recommendation 2, the Committee was informed of specific examples of cash-based transfers contributions that either could not be accepted or were significantly delayed as a result of twinning being restricted to in-kind contributions.

27. The Committee welcomed Recommendation 8 on the application of a reduced Indirect Support Costs (ISC) rate for host governments contributions to their own programmes and for contributions under South-South and triangular cooperation, with a proposed rate to be presented in the Management Plan, while requesting further details at the next relevant session of the Committee.

28. The Committee noted that Recommendation 9, which proposed adjustments to General Rule XIII.4 (e) to allow exemptions from ISC for contributions to the Operational Reserve, would potentially enable WFP to expand internal project lending.

29. The Committee understood that feedback on the recommendations would be taken into account prior to the formal presentation of amendments to the General Rules and Financial Regulations at the 2018 second regular session of the Executive Board.

30. **The Committee:**

- a) **noted and appreciated the progress reported on the Integrated Road Map, including the lessons learned during its implementation;**
- b) **noted that the introduction of the Integrated Road Map framework and the changing environment in which WFP worked would require amendments to the General Rules and Financial Regulations with respect to full cost recovery, terminology and definitions;**

- c) **further noted that the amendments would be presented for approval at the Executive Board's second regular session of 2018 and, if approved, would take effect on 1 January 2019; and**
- d) **recommended that the draft decisions as presented in the *Update on the Integrated Roadmap* be approved by the Executive Board.**

Appointment of Three Members to the Audit Committee

31. The Committee reviewed the recommendations of a selection panel appointed by the WFP Executive Board for renewal of the terms of three Audit Committee members in line with the terms of reference of the Audit Committee as updated in the Board's second regular session on 2017.

32. **The Committee:**

- a) **noted the considerations made by the selection panel; and**
- b) **recommended that the renewal of the terms of the three members of the Audit Committee: Mr Suresh Kana (South Africa), Mr Omkar Goswani (India), and Ms Elaine June-Cheung (China), be approved by the Executive Board.**

Utilization of the Programme Support and Administrative Equalization Account Reserve

33. The Committee noted that WFP's audited financial statements as at the end of 2017 showed a Programme Support and Administrative Equalization Account Reserve (PSAEA) balance of USD 256.8 million and was informed that the projected closing balance for 2018 was USD 259.8 million, exceeding the target balance of USD 139.8 million by USD 120.0 million.

34. Within this context, the Committee considered two proposals to use the PSAEA: the first proposal allocated USD 35 million to the Immediate Response Account (IRA) while the second allocated USD 30 million to the Emerging Donor Matching Fund (EDMF).

35. The Committee recognized that the USD 35 million allocation from the PSAEA to the IRA would increase WFP's capacity to allocate IRA funds to programmes while maintaining the account's essential revolving and replenishable characteristics.

36. In response to queries to elaborate further on the use of the EDMF since its inception in 2003, the Committee was informed that the Secretariat would provide an addendum to the paper presented that would provide more information to the Executive Board on the history and usage of the fund, including on opportunities that the fund provided to expand the donor base, as well as on the longer-term benefits it provided over time.

37. The Committee took note of two ideas for potential future proposals on the use of the PSAEA contained in the Annex to the document. One was linked to the Inspector General's (OIG) findings on the pilot phase of the IRM relating to the provision of seed funding for a limited period for country offices implementing the Country Strategic Plan (CSP) framework. The Committee recognized that the potential proposals would benefit from further discussion.

38. **The Committee:**

- a) **considered the document *Utilization of the programme support and administrative equalization account reserve*; and**
- b) **recommended that the Executive Board approve the allocations from the PSA Equalization Account of USD 35 million to the IRA and USD 30 million to the emerging donor matching fund for the purposes described in the document.**

Report on the Utilization of WFP's Advance Financing Mechanisms (1 January - 31 December 2017)

39. The Committee reviewed the *Report on the utilization of WFP's advance financing mechanisms 1 January – 31 December 2017*.
40. The Committee enquired about the future of Macro Advance Financing (MAF) and was informed that, as one element of an internal strategic financing workstream being undertaken by WFP to enhance operational effectiveness at Country Office level and optimise the cash resources of WFP, MAF required other elements to be in place to enable WFP to implement a holistic menu of advance financing mechanisms.
41. The Committee enquired about the lead time gains reported by the Global Commodity Management Facility (GCMF), and was informed that the reported lead time of 41 days constituted the time between when a contribution was confirmed which would be used to purchase GCMF stock and the delivery of GCMF-purchased assistance to beneficiaries. The Committee was also informed that risk management considerations, together with the need to keep GCMF stock readily available for use in multiple countries, necessitated GCMF stock to be kept in central locations for particular supply lines.
42. The Committee encouraged WFP to explore ways to increase procurement from smallholder farmers and from developing countries, and was informed that developing countries were receiving an increased share of local and regional procurement. The Committee noted how GCMF was providing credit for purchases from smallholder farmers, even in advance of the planting season. The Committee obtained assurances that management of the GCMF balanced good fiduciary management with limited risk taking.
43. **The Committee**
- a) **noted the *Report on the Utilization of WFP's Advance Financing Facilities (1 January – 31 December 2017)*; and**
 - b) **advised the Executive Board to approve the proposed increase in the ceiling of the Global Commodity Management Facility (GCMF) from USD 350 million to USD 500 million in order to ensure a steady corporate supply line of food to be prepositioned by GCMF, and to provide an amount available to respond to unfolding emergencies.**

Annual Report of the Audit Committee

44. The Audit Committee Chairperson presented the Annual Report of the Audit Committee, covering the period from 1 April 2017 to 31 March 2018, during which the Audit Committee had met three times. Topics discussed with WFP Management, the Inspector General and the External Auditor covered the full scope of Audit Committee responsibilities set out in its terms of reference.
45. The Committee considered the highlights of the report presented by the Audit Committee Chairperson including risk management; internal control processes; workforce planning; CBTs; protection from harassment, sexual harassment, abuse of authority, and discrimination; cost efficiencies; implementation of actions arising from the proactive integrity review reports; and the operation of the Office of the Inspector General.
46. The Audit Committee Chairperson commented that WFP's workforce planning was affected by the increase in L2 and L3 emergencies and the use of CBTs requiring specific skills. More action was required on staff skills building and development, the localization of resources, funding and collaborative partnerships, as well as fostering an ethical culture. The Audit Committee Chairperson also advised that WFP should continue to pursue effectiveness and efficiency gains in traditional food assistance. The Chairperson also recommended the development of communication templates for times of crisis and succession plans for senior staff.

47. The Committee was informed that human resource requirements and models would be determined for discussion by the WFP Leadership Group in June and implementation over the next two to three years. Upcoming discussions on the oversight framework and the enterprise risk management policy at the next Executive Board sessions would serve to improve the maturity of risk management. The assurance statement was cited as part of risk mitigation efforts to clarify roles and responsibilities across all levels of WFP, to be complemented by additional measures.

48. On the timing of Audit Committee sessions, it was clarified that there was little flexibility regarding the March session, as the finalization of the financial statements and other documents limited the scope for providing documents to the Audit Committee earlier, while the time required to prepare reports for the subsequent Executive Board session gave little room for delaying the meeting. It was noted, however, that the July session could be postponed slightly, possibly to take place later in the month, with a more focused agenda and concise documents. The Committee members requested that official meeting minutes be circulated on a more timely basis, for example, meeting minutes of the March session of the Audit Committee should be distributed for review before the FAO Finance Committee meeting.

49. **The Committee:**

- a) **considered the *Annual Report of the Audit Committee* for the period 1 April 2017 - 31 March 2018;**
- b) **acknowledged the important role of the Audit Committee and encouraged the Audit Committee in its ongoing work;**
- c) **welcomed the report, highlighting the positive conclusion that overall risk management and internal control processes continued to improve;**
- d) **appreciated the guidance provided by the Audit Committee in the areas under its mandate; and**
- e) **advised the Executive Board to take note of the *Annual Report of the Audit Committee*.**

Annual Report of the Inspector General and Note by the Executive Director

50. The Committee welcomed the *Annual Report of the Inspector General* and the *Note by the Executive Director on the Annual Report of the Inspector General*.

51. The Committee expressed appreciation to the OIG for its report, welcomed the favourable opinion and highlighted key areas of risks and improvement. The Committee was informed that the annual opinion was based on audit work performed, which focused on critical areas that carried risks for the organization.

52. The Committee noted the decrease in the number of overdue recommendations, sharing its concern on the overdue issues, especially on procurement, NGOs management and the definition of oversight roles and responsibilities in WFP's lines of defence model, and urged management to implement them. Clarifications were provided to the Committee on the improvements introduced by management. The Committee recommended that the note provided by the Executive Director be more detailed and forward looking in nature.

53. The Committee was also provided with an update on the ongoing initiative to review the Regional Bureaux' responsibilities.

54. The Committee welcomed the information provided on the budgetary increase for OIG and was informed of the planned three-year build proposed by the Inspector General to align it to the increased resources of the organization.

55. **The Committee:**

- a) **considered the *Annual Report of the WFP Inspector General* together with the *Note by the Executive Director on the Annual Report*;**
- b) **noted the assurance opinion issued by the Inspector General that the oversight work performed did not disclose any significant weaknesses in the internal control, governance and risk management processes in place across WFP that would have a pervasive effect on the achievement of WFP's objectives;**
- c) **appreciated the progress made in successfully closing a large number of recommendations and urged the Secretariat to continue its efforts to address outstanding recommendations, in particular those relating to high-risk areas; and**
- d) **advised the WFP Executive Board to take note of the *Annual Report of the Inspector General* and encouraged management to take advantage of the opportunities for further improvement highlighted in the report.**

Report of the External Auditor on Food-related Losses and WFP Response

56. The Committee discussed the *Report of the External Auditor on Food-Related Losses* following a briefing by the External Auditor and WFP Management. The objective of the audit (as explained by the External Auditor) was to identify and quantify all the losses of any kind related to food procurement by WFP, from determination of the food basket to final consumption; review the identification, analysis, and reporting mechanisms related to food-related losses; and analyse the effectiveness of the measures put in place to prevent and mitigate these losses.

57. The report included findings related to information provided to the Executive Board, WFP's oversight of outsourced services, and a monitoring system for vendor management. The report made nine recommendations, with which management had agreed or partially agreed.

58. The Committee requested and received clarification on issues including management's confirmation of the modification of current Executive Board reporting mechanisms to include more information on pre-delivery losses which should not be limited to financial impact on the organization but contain other factors and implications including *inter alia* effects of delays, effectiveness and reputational risks. The Committee requested to receive additional information on the WFP self-insurance scheme to be included within existing reporting mechanisms and was informed that such information could be included in the Management Plan. The Committee was informed that progress had been made regarding the recommendation on vendor management with the assistance of an external company which was conducting a full review and was making recommendations for improvement. A final report would be made available in June 2018 to Management which would inform the decisions to be made on the way forward. Clarifications were also provided to the Committee on the rationale for long timeframes for implementing recommendations when there are systematic, policy or system changes to be made.

59. **The Committee:**

- a) **reviewed the *Report of the External Auditor on Food Related Losses and the management response to the recommendations*;**
- b) **noted the management response to the recommendations, including clarifications on those which had been partially agreed; and**
- c) **encouraged management to implement the recommendations within the timeline outlined in the document.**

Report of the External Auditor on the Scale-up and Scale-down of Resources in Emergency Operations and WFP Management Response

60. The Committee discussed the *Report of the External Auditor on the Scale-up and Scale-down of Resources in Emergency Operations* following a briefing by the External Auditor and WFP management. The objective of the audit was to examine WFP's ability to scale up its resources in an emergency, mainly at the start and end of level 2 and 3 emergency operations.

61. The report included findings related to the definition of, governance of and preparedness for emergency situations, in addition to findings related to funding and human resource management in emergencies. The report made eight recommendations, with which WFP management had either agreed, partially agreed, or disagreed.

62. The Committee noted the occasional dissonance between the audit recommendations and the WFP management response, and requested and received clarifications on those recommendations where WFP management was only partially in agreement or disagreed with. The Committee was informed that for those recommendations that were only partially agreed or disagreed with, the specifics of the implementation suggested, not the themes addressed, were the issue. The Committee was informed that while WFP appreciated and broadly agreed with the recommendations, a priority for WFP management was to avoid the creation of processes and procedures that would add an extra administrative burden on Country Offices.

63. The Committee was informed on the status of ongoing processes to address the issues highlighted by the External Auditor; the ongoing revision of the WFP Emergency Response Activation Protocols to clarify definitions and to avoid ambiguities, the efforts to augment the global staff surge capacity of WFP in emergencies (subject to allocated funding), and the ongoing decentralization of the Functional and Support Training for Emergency Response (FASTER) training to the field level.

64. **The Committee:**

- a) **reviewed the *Report of the External Auditor on the Scale-up and Scale-down of Resources in Emergency Operations* and the management response to the recommendations;**
- b) **noted the management response to the recommendations, including clarifications on those which had been partially agreed or not agreed; and**
- c) **encouraged management to continue dialogue and to implement the recommendations within the timeline outlined in the document.**

Report on the Implementation of the External Auditor Recommendations

65. The Committee discussed the *Report on the Implementation of the External Auditor Recommendations* following a briefing by the Secretariat that highlighted the recommendations implemented and outstanding. Of the 63 recommendations, 30 were closed in the current reporting cycle.

66. The Committee received clarification on the school meals framework, cash-based transfer dashboards, country exit strategies and human resource matters.

67. **The Committee:**

- a) **considered the *Report on the Implementation of the External Auditor Recommendations*;**
- b) **noted the implementation rate of outstanding recommendations of the External Auditor and noted the new recommendations made by the External Auditor in the reports issued in 2017;**

- c) **encouraged** the Secretariat to ensure the implementation of the outstanding recommendations within the timeline indicated in the report;
- d) **looked forward** to further updates on the progress of implementation; and
- e) **recommended** that the Executive Board took note of the *Report on the Implementation of the External Auditor Recommendations*.

Update on the Implementation of General Assembly Resolution 70/244 with regard to raising the Mandatory Age of Separation of WFP Staff Members

68. The Committee reviewed the FAO Director-General's proposal, made at the request of WFP, to amend the FAO Staff Regulations through the addition of new Staff Regulation 301.9.6. in order to allow the implementation for WFP staff of the new mandatory age of separation set forth in United Nations General Assembly Resolution 70/244.

69. The Committee requested and received clarifications of the legal effects of the proposed amendment, which was specific to WFP and did not affect acquired rights of staff.

70. **The Committee:**

- a) **noted** the document *Update on the Implementation of General Assembly Resolution 70/244 with regard to raising the Mandatory Age of Separation of WFP Staff Members*.
- b) **reviewed** the proposed amendment to the FAO Staff Regulations allowing implementation of the new mandatory age of separation for WFP staff members (Annex I); and
- c) **recommended** that the proposed amendment to the FAO Staff Regulations be submitted to the Council for its approval.

Other Matters

Date and Place of the Hundred and Seventy-second Session

71. The Committee was informed that the 172nd Session was scheduled to be held in Rome from 12 to 16 November 2018.

Annex I - Proposed Amendment of the FAO Staff Regulations (Implementation by WFP of the New Mandatory Age of Separation)

Proposed Amendment

The FAO Staff Regulation would be amended through the addition of new Staff Regulation 301.9.6, as follows:

New 301.9.6. Notwithstanding Staff Regulation 301.9.5, staff members of the World Food Programme may not be retained in active service beyond the age of 65 years, unless the Executive Director, in the interest of the Programme, extends this age limit in exceptional cases. Normally, such extension will be up to a maximum period of one year at a time. Staff members of the Programme may elect to retire at the age of 60 years if their participation in the United Nations Joint Staff Pension Fund commenced or recommenced before 1 January 1990, or at the age of 62 years if their participation commenced or recommenced on or after 1 January 1990 and before 1 January 2014.

Annex II - Documents for information

- Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (h))