

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Second Regular Session**

Rome, 27–30 October 2008

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

For approval



Distribution: GENERAL

WFP/EB.2/2008/5-A/1/Rev.1

24 October 2008

ORIGINAL: ENGLISH

UPDATE ON THE WFP MANAGEMENT PLAN (2008–2009)

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://www.wfp.org/eb>).

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Chief Financial Officer and Director, FL*:	Mr A. Abdulla	tel.: 066513-2401
---	---------------	-------------------

Director, FLB**:	Mr S. O'Brien	tel.: 066513-2682
------------------	---------------	-------------------

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Finance and Legal Division

** Office of Budget and Financial Planning



EXECUTIVE SUMMARY

This update to the Management Plan (2008–2009) presents a revised Programme of Work totalling US\$11.4 billion for the biennium, and a proposal for the approval of supplementary PSA expenditure of US\$66.1 million and US\$40.8 million in one-time allocations.

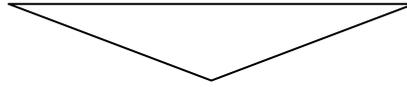
The Programme of Work has been updated to reflect more than US\$4 billion in increases in operational requirements for new and existing operations. Requirements have also increased as a result of the substantial rise in food prices since the original Biennial Management Plan (2008–2009) was compiled. The funding forecast for the biennium is US\$8 billion.

This update also contains the 2009 Programme of Work aligned with the new Strategic Objectives from the Strategic Plan (2008–2011), which was adopted at the Board's 2008 Annual Session.

The Board is asked to approve a supplementary Programme Support and Administrative allocation of US\$66.1 million for the biennium. These resources will be used in priority areas such as oversight and accountability, implementation of the new Strategic Plan (2008–2011) and a response to high food prices.

The Executive Board is also asked to approve one-time capacity investments from the Programme Support and Administrative Equalization Account totalling US\$40.8 million.

DRAFT DECISION*



The Board:

- i) **takes note** of the projected total Programme of Work of US\$11.4 billion, excluding provision for unforeseen emergencies;
- ii) **approves** a supplementary Programme Support and Administrative appropriation for the following purposes:

	US\$ thousand
Programme support: regional and country offices	15 064
Programme support: Headquarters	9 717
Management and administration	41 309
Total	66 090

- iii) **approves** one-time supplementary Programme Support and Administrative appropriations of up to US\$40.8 million funded from the Programme Support and Administrative Equalization Account, for the purposes outlined in Section II of the document.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations (document WFP/EB.2/2008/15) issued at the end of the session.



INTRODUCTION

1. With the Board's approval of the WFP Biennial Management Plan (2008–2009),¹ the Secretariat reaffirmed its commitment to providing updates on implementation of the plan during the biennium. This is the third update for the current biennium.

BACKGROUND

2. The Biennial Management Plan (2008–2009) used a needs-based method for programme costs. The Programme Support and Administrative (PSA) budget was set on the basis of the resource levels anticipated in the light of historical funding levels and expected reserves.
3. Because WFP is voluntarily funded and the funding required may not be available from donors, the Secretariat continuously reviews its level of operations and the expected levels of funding and indirect support cost (ISC) income to ensure that PSA expenditure levels are sustainable.
4. At its 2007 Second Regular Session, the Board "... requested the Secretariat to update the Biennial Management Plan (2008–2009) to reflect any changes arising from the approval of the Strategic Plan (2008–2011) in the session immediately following the adoption of the Strategic Plan."²
5. Under the Strategic Plan (2008–2011), WFP will "... continuously assess and align its approaches to changes in the external operating and funding environments, and develop its range of tools in order to meet hunger and humanitarian needs in ways that are as sensitive as possible to local conditions."³
6. This update provides an overview of the changes in the Programme of Work since the approval of the Biennial Management Plan (2008–2009). It also proposes a supplementary PSA budget for 2008–2009 and outlines latest resource forecasts for the PSA equalization account and the General Fund.

¹ WFP/EB.2/2007/5-A/1

² EB decision 2007/EB.2/4, para. x)

³ WFP/EB.A/2008/5-A/1/Rev.1



Section I: The WFP Programme of Work

INTRODUCTION

7. The Biennial Management Plan (2008–2009) outlined operational requirements of US\$5.4 billion – US\$5.8 billion when ISC is included – for 7.8 million mt of food to feed 90 million beneficiaries. The Strategic Objectives in the Biennial Management Plan (2008–2009) were based on the Strategic Plan (2006–2009). The Secretariat undertook to update the plan following adoption of the Strategic Plan (2008–2011).
8. Various changes have necessitated revisions to the Biennial Management Plan (2008–2009) and the operational budget during 2008. In particular: i) the unprecedented increases in food and fuel prices and the weakening of the US dollar significantly increased the costs of existing operations; and ii) there has been a large increase in requirements for current and new operations since the plan was approved, the main increases were in Afghanistan, the Democratic People's Republic of Korea (DPRK), the Horn of Africa, Myanmar, the Sudan and Zimbabwe.
9. The Board has been kept informed about these changes in the first two updates to the Management Plan in February and June 2008 and in several informal consultations.
10. This Management Plan update presents a revised Programme of Work based on new estimates for 2009 and current operations for 2008. It contains a section aligning the Programme of Work with the Strategic Objectives adopted in the Strategic Plan (2008–2011).

METHODOLOGY

11. This update to the Management Plan is more extensive than previous updates. To update the 2009 operational programme of work, country offices were asked to submit budgets for all operations planned for 2009 linked to the new Strategic Objectives and taking into consideration food prices and operational assumptions as of July 2008. The updated 2008 operational budget is based on all approved operations to date, including food price changes and new emergencies that arose during the year.
12. The food prices used to compile the 2009 operational budget were based for the first time on standard rates to enable WFP to update its food budget to reflect significant price changes and to allow for clearer scenario planning.
13. Food prices have decreased somewhat since the operational budget was first compiled in July 2008. WFP's food budget has been reduced accordingly to reflect prices as at 25 August 2008.



THE 2008–2009 PROGRAMME OF WORK – OVERVIEW

14. The updated Programme of Work (2008–2009) is US\$11.4 billion, consisting of direct operational requirements of US\$10.7 billion plus ISC.⁴
15. An overview of the updated Programme of Work by region is provided in Table 1.

	Original Biennial Management Plan (2008–2009)	Management Plan Update
Asia	1 019	2 506
Middle East, Central Asia and Eastern Europe	317	968
West Africa	657	1 160
Southern, Eastern and Central Africa	2 181	4 437
Latin America and the Caribbean	291	365
Sudan	1 329	1 947
Other (avian influenza, global clusters, etc.)	-	20
Total	5 793	11 402

16. Table 2 outlines the revised Programme of Work by cost component. Further detail by cost component is outlined in Annex II.

	Original Biennial Management Plan (2008–2009)		Management Plan Update	
		% of total		% of total
Food	2 427	42	5 682	50
External transport	593	10	1 178	10
LTSH*	1 476	25	2 157	19
ODOC**	292	5	610	5
DSC***	626	11	1 029	9
Total Direct Costs	5 414	93	10 656	93
ISC Requirement	379	7	746	7
Total (incl. ISC)	5 793	100	11 402	100

* Landside transport, storage and handling

** Other direct operational costs

*** Direct support costs

⁴ Following the method used in the 2006–2007 biennium and the original Biennial Management Plan (2008–2009), the operational requirements are based on operational estimates for current projects and their logical extensions, which are extensions of existing projects that are likely to be approved during the remainder of the biennium.



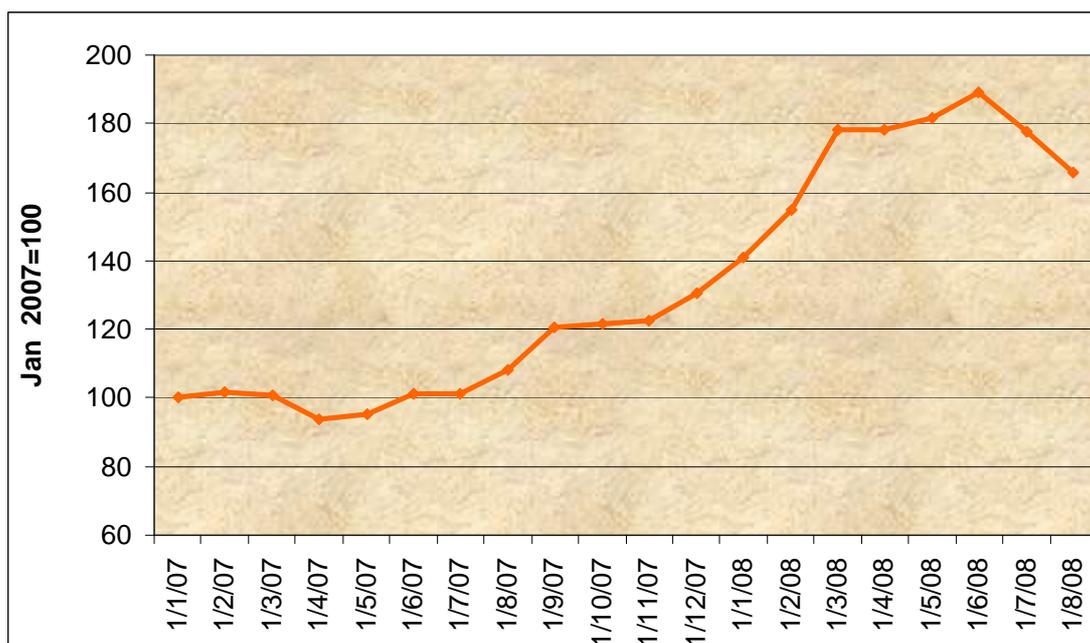
INCREASES TO THE PROGRAMME OF WORK (2008–2009)

17. As outlined above, the Programme of Work (2008–2009) has increased from US\$5.8 billion to US\$11.4 billion since the Biennial Management Plan (2008–2009) was approved, an increase of 97 percent.
18. This increase has been driven by two main factors: i) the re-costing of the original Programme of Work in the light of higher food and fuel prices; and ii) major new requirements for new operations or significant increases to existing operations.
19. The following sub-sections examine each of these in detail.

Re-Costing the Original Programme of Work

20. The global rise in food prices has occupied the attention of policymakers and the media since the end of 2007. As the provider of food aid to the poorest people, WFP has been profoundly affected by the food price rise and the continued volatility and uncertainty in food markets.
21. To monitor the impact of rising food prices, the Secretariat has developed the *WFP Cereal Index*, which includes the four highest-value cereals in the WFP food basket.⁵

FIGURE 1: WFP CEREAL INDEX 2007–2008



22. As a consequence of rising food prices, the planned budget for food was insufficient. The operational budget of the Biennial Management Plan (2008–2009), compiled in June 2007, included provision for a 10 percent increase in food prices. By January 2008, when the plan was implemented, cereal prices had risen by 40 percent.⁶
23. The February 2008 Management Plan update outlined an expected US\$520 million increase in the 2008 food budget. The Executive Director issued an appeal on 20 February

⁵ The *WFP Cereal Index* includes rice, maize, sorghum and wheat.

⁶ WFP Cereal Index



2008 for an additional US\$500 million to cover the increasing food costs of existing operations. When the second Management Plan update was prepared in March 2008, cereal prices had risen by 76 percent compared with June 2007, resulting in an increase of US\$755 million in food costs for 2008.

24. Figure 1 shows a welcome reduction in cereal prices in recent months. Fuel prices are also falling and the US dollar has strengthened, which are positive developments in terms of food prices.
25. The outlook for prices is that they may stabilize at levels below the peaks expected in 2008–2009 but that they will not return to their previous levels.⁷ International prices may have peaked in June 2008, but this is by no means a certainty; many of the local and regional markets in which WFP traditionally purchases do not immediately reflect changes in international markets, particularly where food security is precarious.
26. As indicated in Figure 1, the price of WFP cereals when these figures were finalized in the third week of August 2008 remained at the level of the first quarter of 2008, when the appeal for an additional US\$755 million was made (see Annex I). They remain over 50 percent above the 2007 average. This means that recosting original requirements using prices in effect in late August 2008 would add US\$1.5 billion to the Programme of Work

New Requirements

27. Unexpected new requirements and expansions of existing programmes have increased the Programme of Work by more than US\$4 billion. Two thirds of this increase is a result of increased requirements in the areas shown in Table 3.

TABLE 3: NEW OPERATIONAL REQUIREMENTS — GREATEST INCREASES (US\$ million)	
Horn of Africa	+955
DPRK	+532
Sudan	+483
Afghanistan	+332
Zimbabwe	+254
Myanmar	+188

⇒ *The Horn of Africa*

28. Severe drought has exacerbated serious food insecurity in the Horn of Africa. In Kenya, a new emergency operation (EMOP) was approved in mid-2008 targeting people affected by drought and by post-electoral violence. In Ethiopia, decreasing food availability and high prices in local markets are causing rural people to migrate to towns, further increasing food demand and pushing prices higher; this severe food insecurity has been exacerbated by drought and rises in the prices of staple foods, resulting in dramatic increases in the number of acutely food-insecure people. In Somalia, where emergency

⁷ Average forecasts from the World Bank, the Organisation for Economic Co-operation and Development (OECD), the United States Department of Agriculture (USDA) and International Food Policy Research Institute (IFPRI).



relief accounts for 85 percent of WFP interventions, analyses indicate that a humanitarian emergency exists as a result of civil conflict, successive crop failures and hyperinflation.

⇒ *DPRK*

29. Following serious flooding in August 2007 and a subsequent poor harvest, food security appears to be deteriorating in the DPRK. A new EMOP has been approved for 6.2 million beneficiaries with which WFP plans to cover an unprecedented 131 counties in eight provinces.

⇒ *The Sudan*

30. The humanitarian situation in the Sudan has not improved as forecast in 2007 when the original Biennial Management Plan (2008–2009) was made. Much of the Sudan is food-insecure because of the conflict in Darfur, the huge challenges in South Sudan after decades of civil war, which include returning refugees, limited infrastructure and the need for consolidated governance, and strained livelihoods and economic dislocation in the east. The operation will remain in emergency mode throughout 2009 to support large populations in need of general food rations supplemented by other food safety net interventions.

⇒ *Afghanistan*

31. Afghanistan faces enormous recovery needs after more than two decades of war, civil unrest and natural disasters. Despite recent progress, millions of Afghans live in severe poverty; the infrastructure is disintegrating and assessments continually indicate that a large part of the population cannot meet minimum food requirements. WFP has had to make provision for additional interventions targeting people affected by high food prices and harvests reduced by drought. Pilot activities are addressing the needs of the most vulnerable children under 5 and women and supporting the livelihoods of those affected by high food prices. Global increases in fuel prices and worsening security have contributed to increases in transport costs of up to 100 percent in parts of the country since early 2007, compounding the impact of high food prices.

⇒ *Zimbabwe*

32. Hyperinflation, acute shortages of basic supplies and a series of poor harvests have resulted in acute food insecurity in most parts of Zimbabwe. This situation is compounded by the collapsing economy, unemployment estimated at 80 percent, a rapidly devaluing currency and high HIV and AIDS prevalence, which contribute to increased vulnerability. Harvest assessments in 2008 confirm a serious cereal shortfall for the coming agricultural season, comparable with that of 2002/03. Operations have been extended in terms of duration, area, caseload and rations to respond to needs in the unusually early lean season; this has required new offices and increased logistics and monitoring capacity.

⇒ *Myanmar*

33. Cyclone Nargis in May 2008 caused widespread destruction and loss of life and livelihoods. WFP launched an EMOP to assist victims through general food distributions (GFDs), supplementary feeding and food for work (FFW). In view of the extensive damage to infrastructure, WFP also launched a special operation (SO) to provide common logistics and telecommunications services.



The “New Face of Hunger”

34. The rise in food prices has an impact on WFP’s cost base and on the breadth and depth of its interventions.
35. High food and fuel prices have increased the vulnerability and hunger of 1 billion people – the 850 million people targeted for hunger reduction in line with the Millennium Development Goals (MDGs), who now face an even greater challenge in escaping from poverty and food insecurity, and a large number of people who have been priced out of food markets. The situation is particularly serious in countries that import a large proportion of their food, experience high inflationary pressures and suffer from natural disasters and conflict.
36. WFP’s country-based and context-specific responses are based on analyses of needs and vulnerability; they build on existing experience and capacity and support national strategies. WFP responds to requests for assistance from governments and develops plans in cooperation with other United Nations agencies, the World Bank, international organizations and non-governmental organizations (NGOs). Participatory and community-based initiatives are fully supported, particularly those involving women, children and marginalized and vulnerable groups.
37. WFP’s response to high food prices includes the following elements:
 - increasing food assistance in areas where food is unaffordable to an increasing number of people and there is a risk of discontent, for example in Afghanistan, Djibouti, Ghana, Haiti, Liberia, Mozambique and the Occupied Palestinian Territory;
 - extending school feeding through holidays in Guinea, Haiti and Senegal, and providing take-home rations for vulnerable families through schools in Ghana, Liberia, Mauritania, the Occupied Palestinian Territory, Pakistan and Tajikistan;
 - providing supplementary rations for malnourished children and women in Djibouti, Ghana, Liberia, Mozambique, Nepal, Pakistan, Senegal, Tajikistan and Yemen and extending food assistance to families in Guinea, Haiti and Liberia;
 - accelerating voucher programmes to enable people to access food through markets in Djibouti and Senegal and providing cash transfers to support livelihood activities such as urban youth employment projects in Ghana, Liberia, Mauritania, Mozambique and Nepal;
 - providing monthly rations for families who can no longer access the food they need in Djibouti, Haiti, Mauritania, Nepal, the Occupied Palestinian Territory, Tajikistan and Yemen;
 - expanding FFW programmes in support of work by governments and the Food and Agriculture Organization of the United Nations (FAO) to increase agricultural production in Guinea and Senegal and to build roads and community infrastructures in Haiti, Liberia and Pakistan;
 - supplying small-scale food reserves for communities in Mauritania and Senegal, and helping Ugandan subsistence farmers to make the transition to market production; and
 - linking support for local food production with WFP and government safety-nets to provide an outlet for farm produce in Ghana, Mozambique, the Occupied Palestinian Territory and Uganda.



38. In August, WFP endorsed a new set of projects to reach 11.2 million people in the above countries, resulting in an increase of US\$390 million in the Programme of Work. Additional projects, currently under review, will lead to further increases as WFP continues to take urgent measures to mitigate the impact of high food and fuel prices on vulnerable people in the countries where it works.

OPERATIONAL BUDGET AND BENEFICIARY NEEDS BY STRATEGIC OBJECTIVE

39. The Biennial Management Plan (2008–2009) was approved at the Board’s 2007 Second Regular Session. At its 2008 Annual session, the Board approved the Strategic Plan (2008–2011), which outlined new Strategic Objectives.
40. This update to the Management Plan aligns the updated 2009 WFP operational budget with the new Strategic Objectives.⁸
41. The new Strategic Objectives are:

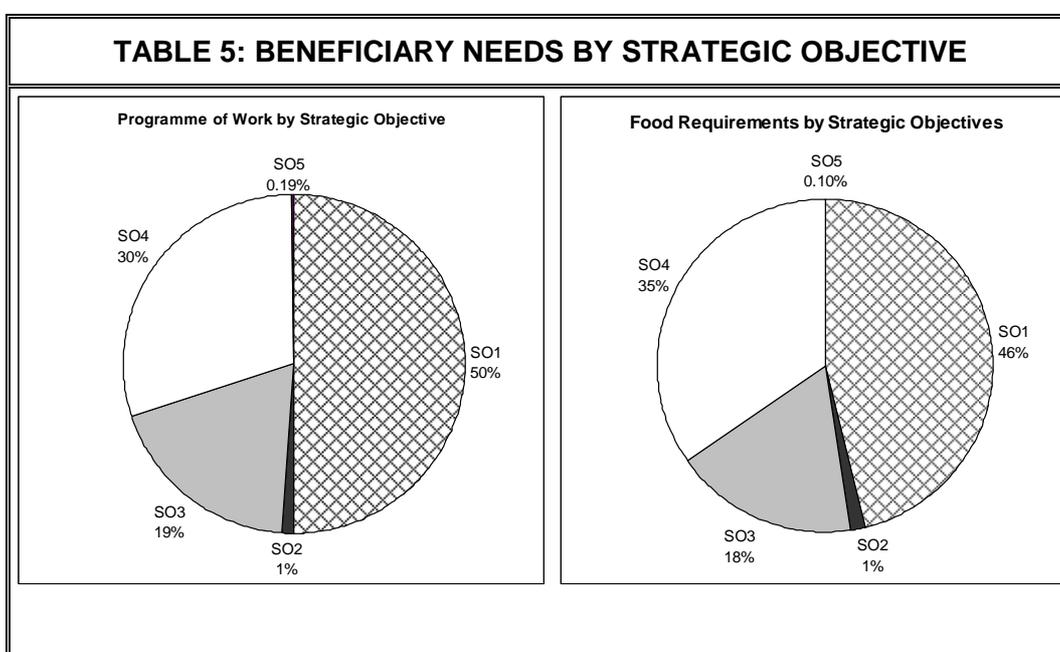
SO1	Save lives and protect livelihoods in emergencies
SO2	Prevent acute hunger and invest in disaster preparedness and mitigation measures
SO3	Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations
SO4	Reduce chronic hunger and undernutrition
SO5	Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase

42. The new Strategic Objectives encompass all of WFP’s roles in fighting hunger, from immediate life-saving assistance to relief and recovery. They also reflect WFP’s extensive work and capacities in improving the quality of food and food delivery, fighting chronic hunger and helping communities and countries to implement their own programmes to address hunger.
43. A draft Strategic Results Framework of July 2008 was used by country offices as the basis for aligning the 2009 Programme of Work with the new Strategic Objectives. Finalization of the Strategic Results Framework may lead to changes in the breakdown of the Programme of Work by activity and by Strategic Objective.
44. Tables 4 and 5 show the portion of the budget and gross volume of food assigned to each Strategic Objective in 2009.

⁸ Reporting on the 2008 objectives and results will be based on the Strategic Plan (2006–2009); reporting in the Annual Performance Report 2009 will be based on the new Strategic Objectives.



TABLE 4: PROGRAMME OF WORK 2009, BY STRATEGIC OBJECTIVE			
		Value (US\$ million)	Food tonnage (mt thousand)
SO1	Save lives and protect livelihoods in emergencies	2 856	2 547
SO2	Prevent acute hunger and invest in disaster preparedness and mitigation measures	76	74
SO3	Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations	1 080	986
SO4	Reduce chronic hunger and undernutrition	1 699	1 911
SO5	Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase	11	6



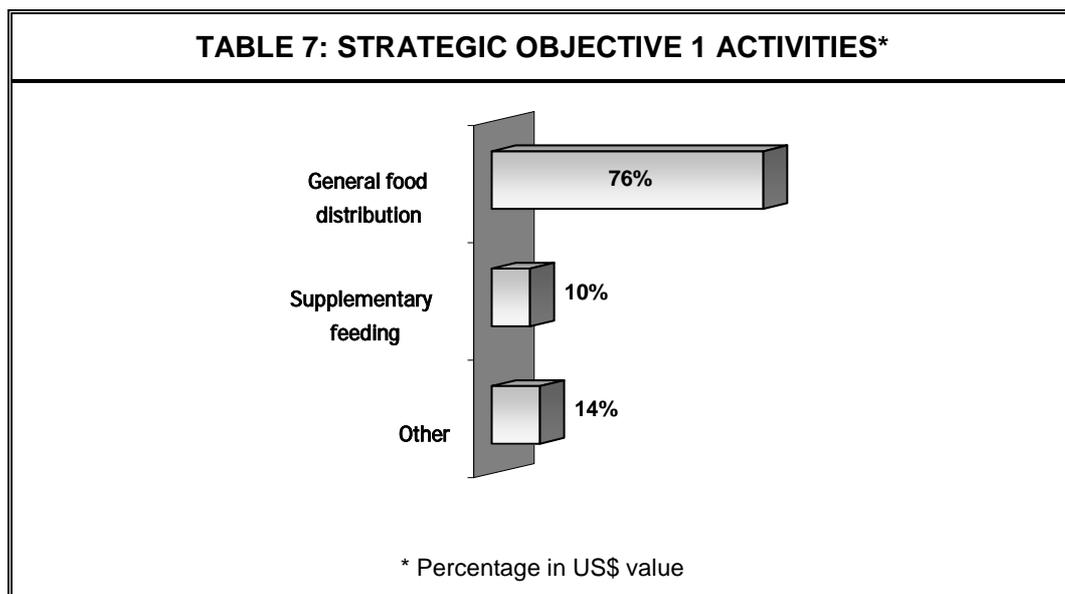
45. Saving lives and livelihoods in humanitarian emergencies remains the main focus of WFP's work, accounting for half of the total requirements for Strategic Objective 1. A total of 20 percent of WFP's requirements are for activities that help people to rebuild livelihoods after disaster strikes and to prevent future disasters under Strategic Objectives 2 and 3. Fighting chronic hunger and undernutrition accounts for 30 percent of resources planned, helping beneficiaries to break the generational cycle of hunger and undernutrition that impede growth and productivity. Under Strategic Objective 5, WFP remains committed to helping governments and beneficiaries to become self-sufficient in combating hunger.⁹

⁹ It should be noted that most of WFP's work under Strategic Objective 5 is funded by host governments. It is therefore classified as bilateral under the current financial policy framework. Requirements for bilateral operations are not included in this update.



STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES

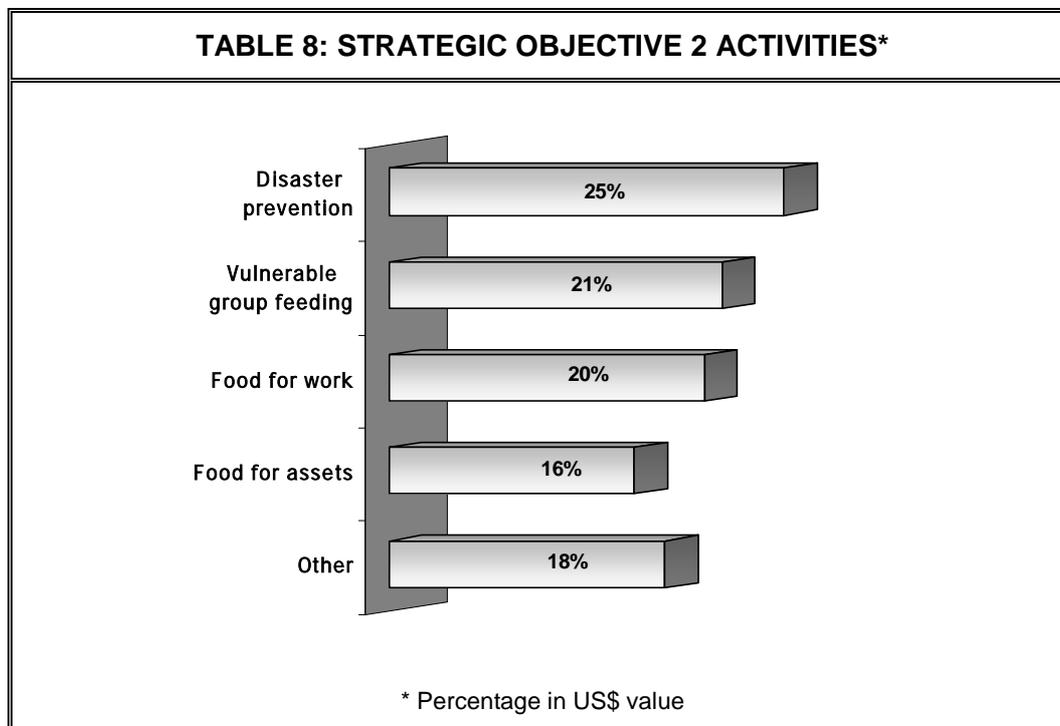
46. Saving lives and protecting livelihoods in emergencies is WFP's most recognized role, accounting for half of the requirements in 2009. Because emergencies cannot be predicted, it is likely that the portfolio of projects under Strategic Objective 1 will increase during 2009.
47. Table 7 outlines the activities planned under Strategic Objective 1.



48. The main tools for achieving Strategic Objective 1 are general and targeted food assistance and emergency nutrition interventions: 2 million mt of food will be distributed in general rations to beneficiaries who often rely on WFP as their only source of food. Supplementary feeding for the most vulnerable people will be used in emergencies and for FFW and other food interventions.
49. The following tools are critical to emergency responses:
- Emergency needs assessments. These analyse the nature and dimensions of a disaster and its effects on populations to enable an appropriate response.
 - Capacity in emergency logistics, special operations and information and communications technology (ICT). These are fundamental to WFP's ability to deliver food and other assistance immediately after the onset of a disaster.
 - United Nations cluster leadership for logistics and emergency ICT. As a cluster leader for logistics and a co-leader for emergency communications clusters, WFP coordinates services among partners and acts as a provider of last resort for the humanitarian community.

STRATEGIC OBJECTIVE 2: PREVENT ACUTE HUNGER AND INVEST IN DISASTER PREPAREDNESS AND MITIGATION MEASURES

50. Table 8 outlines the activities planned under Strategic Objective 2.



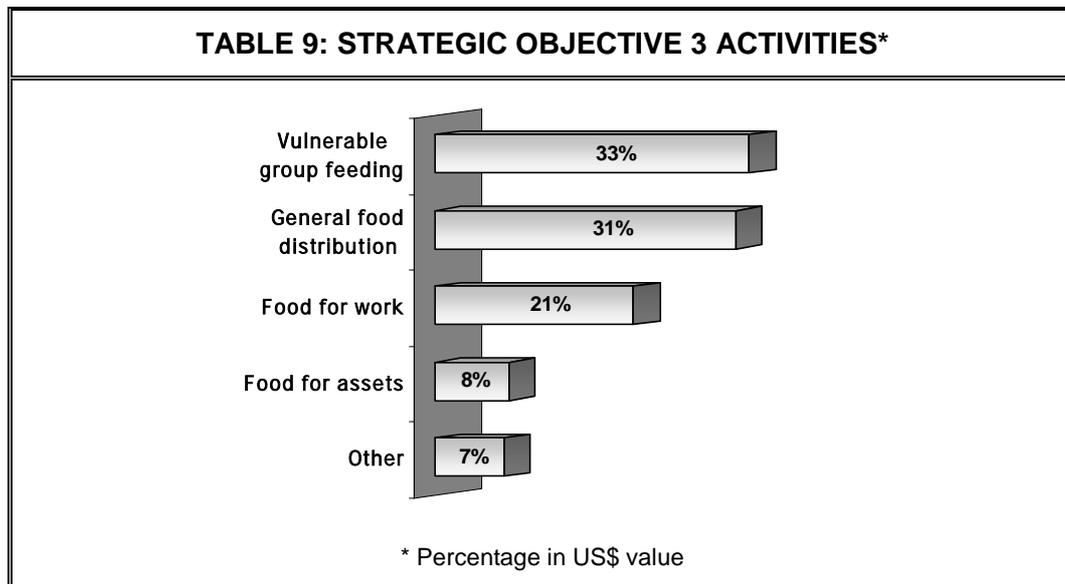
51. Investing in emergency preparedness and helping communities to become more resilient to shocks can reduce the loss of lives and livelihoods in a disaster. Disaster prevention, food for assets (FFA) and FFW account for two-thirds of activities planned under Strategic Objective 2. The tools used range from vouchers and cash to food-based safety nets that help communities to build assets and infrastructures to cope with shocks. Vulnerable group feeding (VGF) is used in Haiti, Kenya and Mozambique to help the most vulnerable households living with HIV or taking care of orphans.

52. The following are essential to WFP's ability to help countries to mitigate shocks:

- vulnerability analysis and mapping (VAM). This helps to identify the hungry poor, their location, and the nature and causes of their vulnerability as a basis for developing appropriate interventions;
- early-warning tools. These enable WFP to help communities to anticipate shocks; and
- disaster preparedness and mitigation programmes. These raise awareness of risks and lead to the introduction of protective measures.

STRATEGIC OBJECTIVE 3: RESTORE AND REBUILD LIVES AND LIVELIHOODS IN POST-CONFLICT, POST-DISASTER OR TRANSITION SITUATIONS

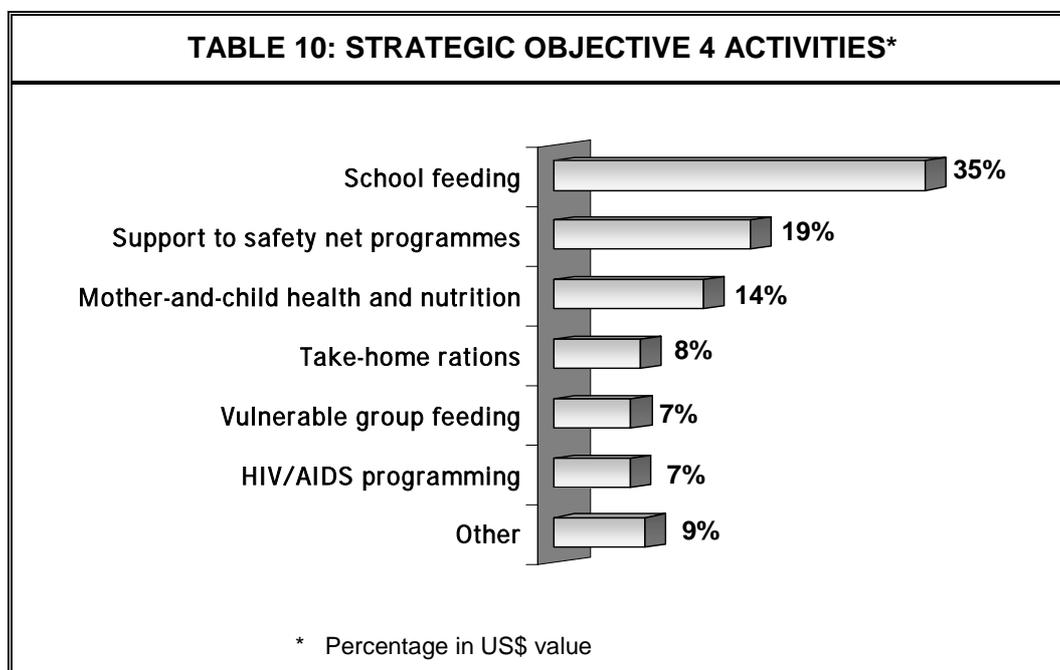
53. Table 9 outlines the activities planned under Strategic Objective 3.



54. WFP's extended recovery work under Strategic Objective 3 supports the return of refugees and internally displaced people (IDPs) and helps people to re-establish livelihoods after an emergency. Activities under Strategic Objective 3 call for extended planning and involve many partners; the activities also require a range of tools that address the availability of and access to food. Vulnerable group feeding helps households and beneficiaries that have been unable to recover from shocks, accounting for 33 percent of the planned budget. Food for work and food for assets account for 29 percent of the budgeted expenditure to help people to rebuild livelihoods after a shock.
55. After a shock, food distribution programmes and special operations to rebuild infrastructures are a priority. As markets and infrastructure are re-established, vouchers and cash-based programmes facilitate access to food for people who may no longer have the means to buy or produce it. In cooperation with governments and other partners, WFP provides food assistance integrated into national safety-net programmes as a means of re-establishing livelihoods.

STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION

56. Table 10 outlines the activities planned under Strategic Objective 4.



57. Chronic hunger and undernutrition continue to hamper development. To break the generational cycle of chronic hunger, Strategic Objective 4 supports school feeding programmes that account for 35 percent of planned expenditure and MCHN programmes that account for 14 percent. WFP will also support safety-net programmes with 380 thousand mt of food and will provide policy and programme advice for governments. Helping to meet the food and nutrition needs of people affected by HIV/AIDS, tuberculosis and other diseases are major goals under Strategic Objective 4, 7 percent of resources are planned for HIV/AIDS programming.

STRATEGIC OBJECTIVE 5: STRENGTHEN THE CAPACITIES OF COUNTRIES TO REDUCE HUNGER, INCLUDING THROUGH HAND-OVER STRATEGIES AND LOCAL PURCHASE

58. Strategic Objective 5 reflects WFP's work in capacity-building, helping countries to take over the fight against hunger with their own resources and expertise. Most of the work is funded through trust funds and bilateral donations, which are not included in the regular Programme of Work.¹⁰

PROJECTED RESOURCE LEVELS

59. The Biennial Management Plan (2008–2009) was based on an overall income forecast of US\$5.2 billion generating between US\$311 million and US\$340 million of ISC income. This corresponded to a 90 percent funding of the original US\$5.8 billion overall requirements.
60. The Secretariat has reviewed its income forecast for the biennium in the light of the large increase in the Programme of Work. The current forecast for the overall contribution income is US\$8.0 billion for the biennium, which corresponds to 70 percent funding of the total foreseen Programme of Work. The ISC income generated from contributions would be between US\$480 million and US\$520 million.

¹⁰ WFP is reviewing the Financial Policy Framework which will review this issue.



Section II: Supplementary Programme Support and Administrative Budget 2008–2009

INTRODUCTION

61. This section outlines the Secretariat's request for a supplementary Programme Support and Administrative (PSA) budget for the 2008–2009 biennium. The PSA budget provides WFP with management, administrative and programme support capacity at Headquarters, regional bureaux and country offices, covering indirect support costs that are not linked to any specific WFP operation.
62. This section furthermore outlines the needs for security upgrades, primarily in WFP country offices as well as needs for one-time allocations for strategic plan implementation, cluster leadership and systems development.

METHODOLOGY

63. Following the approval of the Strategic Plan (2008–2011) and the increased operational requirements, which entail additional support requirements, a PSA budget review was launched in June 2008.
64. All offices outlined their additional requirements for 2009. The requests were then reviewed and prioritized by an executive group.
65. When reviewing PSA requests, the executive group mainly focused on the following priority areas:
 - requirements for implementation of the Strategic Plan;
 - requirements for response to high food prices;
 - integrating responses to high food prices and Strategic Plan implementation within the United Nations and Bretton Woods institutions;
 - taking into account the implications of deferral of off-shoring until 2010–2011; and
 - strengthening oversight and accountability.
66. The review furthermore took into account the forecasted PSA Equalization Account balance and the guidance provided by the Executive Board informal briefing on 11 July 2008.



67. A recommendation made by the group was presented to and endorsed by the Executive Director.
68. This recommendation involves increasing PSA for the biennium by US\$66.1 million.
69. Considering the currently approved PSA of US\$345 million and a provision for an expected deficit on standard staff costs for PSA in 2008 of US\$15 million,¹¹ the above recommendation would result in total expected regular PSA expenditure of US\$426.1 million. The total PSA expenditure for 2006–2007 was US\$425.5 million.¹²
70. In order to reduce foreign exchange risk and increase certainty in planning, the Board approved a PSA foreign exchange hedging policy in the last Management Plan update.¹³ The Secretariat has therefore forward purchased the Euro equivalent of US\$77.5 million in 12 monthly instalments to cover Euro-based PSA staff costs for 2009. The forward purchase contracts were completed on 1 September 2008 at an exchange rate of US\$1.4413 to €.

REVISED PSA PROPOSAL 2008–2009

71. The overall approved PSA budget for 2008–2009 was US\$345 million. Table 11 compares the original PSA budget with the overall revised proposal by appropriation line, including posts (professional and total) and costs.

	Original 2008–2009			Revised 2008–2009		
	Post count		Total cost (US\$ thousand)	Post count		Total cost (US\$ thousand)
	Prof.	Total		Prof.	Total	
Programme support – regional bureaux and country offices	165	638	103 756	167	646	118 820
Programme support – Headquarters	77	134	42 692	105	171	52 409
Management and Administration	263	545	198 552	316	613	239 861
Total	505	1 317	345 000	588	1 430	411 090

72. The following sections update and provide information on the changes in each main appropriation line.

¹¹ It is estimated that the deficit on standard staff costs for PSA in 2008 will not exceed US\$15 million; the final amount will depend on exchange rate movements during 2008 and other staff cost factors. Formal approval for this amount was given under EB decision 2007/EB.1/5 i). The amount is shown here for completeness.

¹² “Audited Biennial Accounts (2006–2007)”. WFP/EB.A/2008/6-A/1/2

¹³ “Update on the WFP Management Plan (2008–2009)” (WFP/EB.A/2008/6-C/1), decision i).



Programme Support – Regional Bureaux and Country Offices

73. Table 12 shows the distribution of staff and overall costs by region compared with the original Biennial Management Plan (2008–2009).

	2008–2009 original			2008–2009 revised		
	Post count		Total cost (US\$ thousand)	Post count		Total cost (US\$ thousand)
	Prof.	Total		Prof.	Total	
Asia	31	108	18 398	31	109	19 382
Latin America and the Caribbean	25	112	16 177	25	113	16 732
Middle East, Central Asia and Eastern Europe	24	113	14 372	24	114	15 983
West Africa	43	157	24 837	45	158	26 240
Southern, Eastern and Central Africa	41	147	25 466	40	152	29 617
Sudan Regional Bureau	1	1	506	1	1	506
Field Security Fund			2 000			2 000
Field Contingency Fund			2 000			3 000
V-SAT Communication Support						5 360
Total	165	638	103 756	167	646	118 820

74. The overall increase proposed for country offices and regional bureaux amount to US\$15 million.
75. US\$5.4 million will be added to country office PSA to cover the costs of basic connectivity through the internal V-SAT communications system (Foodsat) and software licences which otherwise would have been funded from DSC budgets.
76. An additional US\$2 million will be added to the Southern, Eastern and Central African Regional Bureau to complete the merger of the two former regional bureaux in the region.
77. It is also proposed to increase the field contingency fund, which covers unforeseen needs in the field, by US\$1 million.
78. An additional US\$1.6 million will be made available for three international procurement posts, three national procurement posts and the re-instatement of three country director posts (Georgia, Lesotho and Swaziland). It was formerly planned to manage work in these countries from elsewhere (“double-hatted”) but the operational circumstances have changed, requiring dedicated management capacity in-country. Four other posts in country offices – previously planned for 2008 only – have been re-instated for 2009.



Programme Support – Headquarters

79. Table 13 shows the staff and non-staff revised PSA proposal for programme support at Headquarters compared with the original Biennial Management Plan (2008–2009).

TABLE 13: PROGRAMME SUPPORT – HEADQUARTERS						
	2008–2009 Original			2008–2009 Revised		
	Post count		Total cost (US\$ thousand)	Post count		Total cost (US\$ thousand)
	Prof.	Total		Prof.	Total	
Office of the ASG of Operations Management	5	8	3 356	6	10	3 970
Programme Design and Support	37	57	19 282	49	74	24 835
Logistics, Transport and Procurement	35	69	20 054	50	87	23 603
Total	77	134	42 692	105	171	52 409

80. The proposed revised budget for programme support amounts to US\$52.4 million, representing an increase of US\$9.7 million. With key responsibilities in addressing new programmatic issues in the Strategic Plan (2008–2011), as well as addressing the global food crises the overall central programme support functions in Headquarters are proposed to be strengthened considerably.
81. The Office of the ASG of Operations and Management will be strengthened primarily in the area of emergency preparedness; two posts have been added to the Office.
82. The Programme Design and Support Division, which is the central programme support function in the Programme, will also be strengthened. In order to support the Strategic Plan, additional capacity is needed in the areas of nutrition, school feeding, prevention and recovery as well as market analysis. The programming processing capacity has also not been adequate due to the reductions made in the original Biennial Management Plan (2008–2009). Seventeen posts will be added to the Division.
83. The Logistics Division supports operations through logistics response, transport and procurement. The workload in the Logistics Division has increased due to a vastly expanded programme of work and to the increased focus on supply-chain optimization. To reduce the lead time, more frequent and smaller quantities of food are procured and shipped – increasing the number of transactions and the need for management and oversight capacity. The implementation of International Public Sector Accounting Standards (IPSAS) also requires additional resources for strengthened inventory management. Eighteen new posts are being proposed to ensure that the Logistics Division is able to provide adequate support to operations.



MANAGEMENT AND ADMINISTRATION

84. Table 14 outlines the breakdown of posts and other costs in the area of Management and Administration.

TABLE 14: MANAGEMENT AND ADMINISTRATION						
	2008–2009 Original			2008–2009 Revised		
	Post count		Total cost (US\$ thousand)	Post count		Total cost (US\$ thousand)
	Prof.	Total		Prof.	Total	
Office of the Executive Director*	15	28	11 882	19	34	14 337
Office of the Ombudsman	1	2	875	1	2	933
Policy, Planning and Strategy Division	11	13	5 940	20	25	9 444
Communications and Public Policy Strategy Division	19	30	11 563	29	43	17 652
Inspector General and Oversight Services Division	20	28	10 641	23	31	11 652
Office of Evaluation	7	10	5 401	8	11	5 700
Office of the ASG External Affairs and Resource Development Department	3	6	2 042	2	4	1 647
Executive Board Secretariat	8	22	6 800	8	22	8 399
External Relations Division	12	21	7 704	17	26	10 018
Government Donor Relations Division	31	57	18 896	35	67	21 347
Private Donor Relations Division	1	2	1 472	1	2	2 167
Sub-total Management	128	219	83 216	163	267	103 295
Human Resources Division	38	89	20 307	41	93	27 679
Information and Communication Technology Division	44	77	30 586	47	76	33 832
Security and Management Services Division	12	65	21 745	14	69	28 080
Finance and Legal Division	41	95	23 904	51	109	28 036
Sub-total Administration	135	326	96 542	153	347	117 626
Central appropriations/ reassignment costs			18 795			18 940
Total	263	545	198 553	316	613	239 861

* Office of the Executive Director includes results-based management (RBM), Ethics Office, and the Office of Hunger Solutions



Management

85. A total of six additional posts are planned for the Office of the Executive Director. These include the re-establishment of a dedicated unit to coordinate and further strengthen risk management and results based management.
86. In the Policy, Planning and Strategy Division, which supports implementation of the Strategic Plan (2008–2011), 12 additional posts are proposed to develop a series of new approaches, tools and interventions. The posts will support the introduction and scale-up of cash and voucher programmes, the strengthening of economic and market analysis, and the development of new nutritional products and approaches. There is also a provision for increasing WFP capacity to develop hand-over strategies to enhance nationally owned hunger solutions and strengthen long-term country capacity for predicting and reducing hunger.
87. WFP is facing unprecedented communications challenges arising from volatile food prices and increased public attention on hunger, which has prompted a manifold increase in media and related requests. Accordingly, WFP needs to scale up communications activities and staffing to manage and capitalize on opportunities for raising public awareness and resources to fight global hunger.
88. In the Oversight Division it is proposed to add three more positions in Audit to strengthen oversight and to resume advisory services which were ceased with the original Biennial Management Plan (2008–2009).
89. It is proposed to add one additional post in the Office of Evaluation focusing on country level evaluations. In addition, DSC funding will be made available for project specific evaluations.
90. The non-staff allocation to the Executive Board Secretariat in the original Management Plan is not sufficient to support the planned level of Board activities in 2009. An additional amount has been made available to ensure adequate Board servicing for the remainder of the biennium, including for an increase in informal consultations and other Board related meetings and field visits.
91. The External Relations Division will be allocated additional capacity to address the global food price crisis and implement the new Strategic Plan (2008–2011) in close consultation with WFP's partners. The director posts in New York and Geneva liaison offices are proposed to be upgraded to D2 level to strengthen the Programme's ability to address United Nations reform matters. In total 5 new posts will be added to the division.
92. The Government Donor Relations Division will be strengthened with ten additional posts to generate funds to meet the doubled Programme of Work. These posts will focus on: strengthening strategic partnerships to deal with the food crisis; developing new streams of funding; and supporting decentralized fundraising through normative guidance and support to country teams.

Administration

93. The Human Resources Division has been impacted by the delay in the shoring platform change. Four more posts are proposed in this division, being the reinstatement of positions in Rome previously assumed to be moved to a different location in 2009. Additional resources will be allocated with the aim of strengthening the reassignment process, building managerial capacity and supporting staff well-being.



94. The Information and Communications Technology Division will be allocated additional non-staff costs for US\$3.2 million in order to cover the negative foreign exchange impact on software licences and for increased help desk support and hardware capacity required as a result of strengthening capacity in other areas of the organization.
95. The Security and Management Services Division will be strengthened with four additional posts as well as non-staff costs in order to cover the foreign exchange impact on Rome-based security and administration costs and the knock-on impact in administration costs resulting from the delay in the shoring platform change, including the need to maintain St Martin's building throughout 2009.
96. The Finance and Legal Division will be allocated an additional US\$4.1 million for i) strengthening oversight of extra-budgetary resources; ii) developing advance purchase mechanisms; iii) increasing capacity to maintain policies and procedures in support of IPSAS and other business requirements; iv) supporting the financial system access control; and v) building additional legal capacity. In total 14 new posts will be added to the division.
97. To maximize the flexibility for the Executive Director to deal with the overall increase in responsibilities and level of activity, a fourth ASG post – included in the original Management Plan for the final quarter of 2009 – has been included for all of 2009.

ANNUAL BUDGETS 2008–2009

98. As in the original Management Plan the adoption of IPSAS would require a disclosure of the 2008–2009 budget broken down on an annual basis. Table 15 below outlines the PSA proposal by year and appropriation line.

TABLE 15: PSA, BY APPROPRIATION LINE, ANNUAL BUDGETS (US\$ thousand)			
	2008 Total cost	2009 Total cost	2008–2009 Total cost
Programme support – regional bureaux and country offices	53 919	64 901	118 820
Programme support – Headquarters	23 755	28 654	52 409
Management and Administration	111 055	128 806	239 861
Total	188 729	222 361	411 090

ONE TIME ALLOCATIONS

99. It is recommended to allocate US\$40.8 million on a once-off basis from the PSA equalization account for the capacity investments outlined in the following paragraphs.

Security Fund

100. Having considered the “Update on the WFP Management Plan (2008–2009)” (WFP/EB.A/2008/6-C/1) and the “Information Note on the Implementation of Security Management Arrangement” (WFP/EB.A/2008/13-D), the Board at its Annual Session in



2008 approved the use of US\$5 million from the General Fund for the establishment of an Emergency Security Fund. The Board was advised that estimates at that time indicated a total estimated cost of US\$40 million for this initiative.

101. Following the attack directed against the United Nations in Algiers on 11 December 2007, the Executive Director requested a global security review of all WFP offices to begin addressing the most pressing security needs, responding to threats worldwide and enabling WFP staff to continue their work feeding the hungry poor in less secure areas, without becoming victims themselves.
102. Immediate focus has been directed towards a number of high-risk country offices as determined through security risk assessments undertaken within the UNSMS. The main goal is to identify areas that warrant enhancement in response to new emerging threats and hazards, identify the means of mitigating such threats and hazards, and advise on the level of improvements assessing costs, benefits and viability.
103. The WFP Premises Security Committee, comprised of WFP senior managers, assists in developing WFP specific criteria to guide the decision-making process in line with the criteria generated within the United Nations Security Management System (UNSMS) and the United Nations Blast Analysis Working Group. The Committee approves mitigation projects, office relocations and the use of United Nations common premises versus United Nations multi-agency compounds and single agency offices.
104. As a first measure of focus, the stand-off distance around WFP offices has been assessed during 2008. In locations where WFP cannot secure adequate stand-off distance around its offices, relocation to safer premises is a priority. Where relocation is not possible, alternative measures are discussed with host governments, including blocking traffic around office premises, controlling parking space and reinforcing building structures. These measures are expected to require high initial capital investments to support compliance with new standards.
105. The Board will be briefed at every session on the progress of the proposed work for each phase.
106. In view of the above, an estimated US\$35 million will be required for on-site support, measures to ensure premises compliance, office relocation (where needed) and security equipment. Of the US\$35 million, US\$22.5 million is budgeted for 2009 as per Table 16 below. The 2010 amount is disclosed for information purposes. A formal proposal for this element will be included in the Management Plan (2010–2011).

TABLE 16: SECURITY FUND (US\$)		
	2009	2010
Blast assessment missions, including follow-up	500 000	500 000
Security equipment beyond MOSS*	6 000 000	2 000 000
Facility protective measures	9 000 000	5 000 000
Office relocations	7 000 000	5 000 000
Total	22 500 000	12 500 000

* Minimum operating security standards

107. It is recommended that an allocation of US\$22.5 million be made from the PSA equalization account for 2009 for this purpose.



Systems Development and Upgrades

108. As the organization is building capacity to take on a greatly expanded programme of work and the implementation of the WINGS II system in 2009, the information technology systems and equipment also need to be upgraded to keep pace with the expansion. The areas of ICT that require capital investments are:

One-time fee for increase in Foodsat bandwidth	507 000
Hardware upgrade for WINGS II technology	1 600 000
WINGS II support costs – development of 2010 release	3 164 499
ICT systems upgrade	2 000 000
Other	808 000
Total	8 079 499

109. It is recommended that an allocation of US\$8.1 million be made from the PSA equalization account for 2009 for this purpose.

Learning and Development Programme

110. A learning and development programme has been initiated to build the skills required for the implementation of the 2008–2011 Strategic Plan. The programme will begin in 2009. This programme will have a substantial impact on all country directors, and will identify and develop a new generation of leaders, an important component of WFP's succession planning.

111. There are four main initiatives:

- i) future leaders programme to develop WFP's most promising talents;
- ii) structured hand-over between country directors to ensure programme continuity and preservation of institutional knowledge and key capabilities;
- iii) face-to-face modules to build new Strategic Plan capabilities in all current country directors and other managers; and
- iv) Social Policy Initiative through a partnership with an external institution to provide a broader understanding of key social policy issues related to WFP interventions.

112. It is recommended that an allocation of US\$5.4 million be made from the PSA equalization account for 2009 for this purpose.



IPSAS Stabilization

113. When the IPSAS project was launched¹⁴ it was assumed that WINGS II would go live in January 2008 concurrently with IPSAS implementation. As previously outlined to the Board, the WINGS II go-live has been delayed to January 2009 and the first IPSAS-compliant financial statements (for the year 2008) will be prepared from the current version of WINGS. It is therefore considered prudent to extend the duration of the IPSAS project to ensure that the new systems, in particular for inventories and fixed assets, meet IPSAS requirements, and that the financial statements can be generated by the new system.
114. It is recommended that an allocation of US\$0.7 million be made from the PSA equalization account for 2009 for this purpose.

Strategic Plan Implementation

115. A small one-time investment is needed to translate the vision outlined in the new Strategic Plan into specific policy approaches and policy guidance. This includes development of: i) training and communication materials on the innovative aspects of the strategy and its associated tools; and ii) decentralized capacities for evaluation under the leadership of the Office of Evaluation (OEDE).
116. It is recommended that an allocation of US\$1.2 million be made from the PSA equalization account for 2009 for this purpose.

Cluster Leadership in ICT and Logistics

117. WFP has been selected as the Cluster Lead for Logistics and Emergency Telecommunications.
118. Clusters activities for 2008–2009 are funded by a combination of cluster appeals and private sector funding, accounted for as trust funds. Both of these fund sources expire at the end of 2008.
119. As the cluster activities are United Nations wide, a new funding approach and a corresponding change in the financial policies will need to be discussed as part of the Financial Policy Framework review in 2009.
120. It is recommended that, pending these changes, an allocation of US\$3.0 million be made from the PSA equalization account for 2009 for this purpose.

Status of the PSA Equalization Account

121. As outlined in the Financial Statements 2006–2007, the balance on the PSA Equalization Account on 31 December 2007 was US\$8.6 million. As indicated above, the ISC income forecast for 2008–2009 has been revised upwards to reflect the increase in forecasted contributions. The latest forecast for the PSA equalization account, assuming the above recommendations are approved, is outlined in Table 18.

¹⁴ WFP/EB.2/2005/5-C/1



TABLE 18: PSA EQUALIZATION ACCOUNT (US\$ million)		
		PSA Equalization Account forecast 2008–2009
1 January 2008 opening balance		8.6
Transfer of DSC advance facility, approved in the original Management Plan		24.1
2008–2009 ISC income		480.0
2008–2009 PSA		
Original approved	(345.0)	
2008 forecast foreign exchange impact	(15.0)	
Proposed 2008 supplement	(10.4)	
Proposed 2009 supplement	(56.1)	
Total revised PSA 2008–2009		(426.5)
One-time allocations		(40.8)
31 December 2009 forecast		45.4

122. The Secretariat recognizes the importance of keeping the PSA Equalization Account balance under review and will continue to monitor ISC income and PSA expenditures. The Executive Board will be updated on the status of this account throughout the biennium.

Status of the General Fund

123. The General Fund is an accounting entity used for recording ISC recoveries from projects and miscellaneous income that is not earmarked for any particular programme activity. ISC income is recorded in the PSA equalization account, which is a subset of the General Fund. The main income source for the unearmarked portion of the General Fund is interest income; thus, market conditions and interest rates have a large impact on the General Fund. The latest forecast for the unearmarked portion of the General Fund, unchanged from the last Management Plan (2008–2009) update, is outlined in Table 19.



TABLE 19: UNEARMARKED PORTION OF THE GENERAL FUND (US\$ million)	
	General Fund forecast
31 December 2007 balance	52.8
2008–2009 interest income	30.4
2008–2009 General Fund expenditures	
United Nations Department of Safety and Security (EB decision 2007/EB.2/4, para. vii)	(26.6)
Private-sector fundraising loan (EB decision 2008/EB.1/4)	(9.0)
Transition fund (EB decision 2007/EB.2/4, para. vi)	(10.6)
Replenishment of operational reserve (EB decision 2008/EB.A/4, para. ii)	(5.9)
WINGS II (EB decision 2008/EB.A/6, para. iii)	(7.5)
Security Fund (EB decision 2008/EB.A/6, para. ii)	(5.0)
31 December 2009	18.6

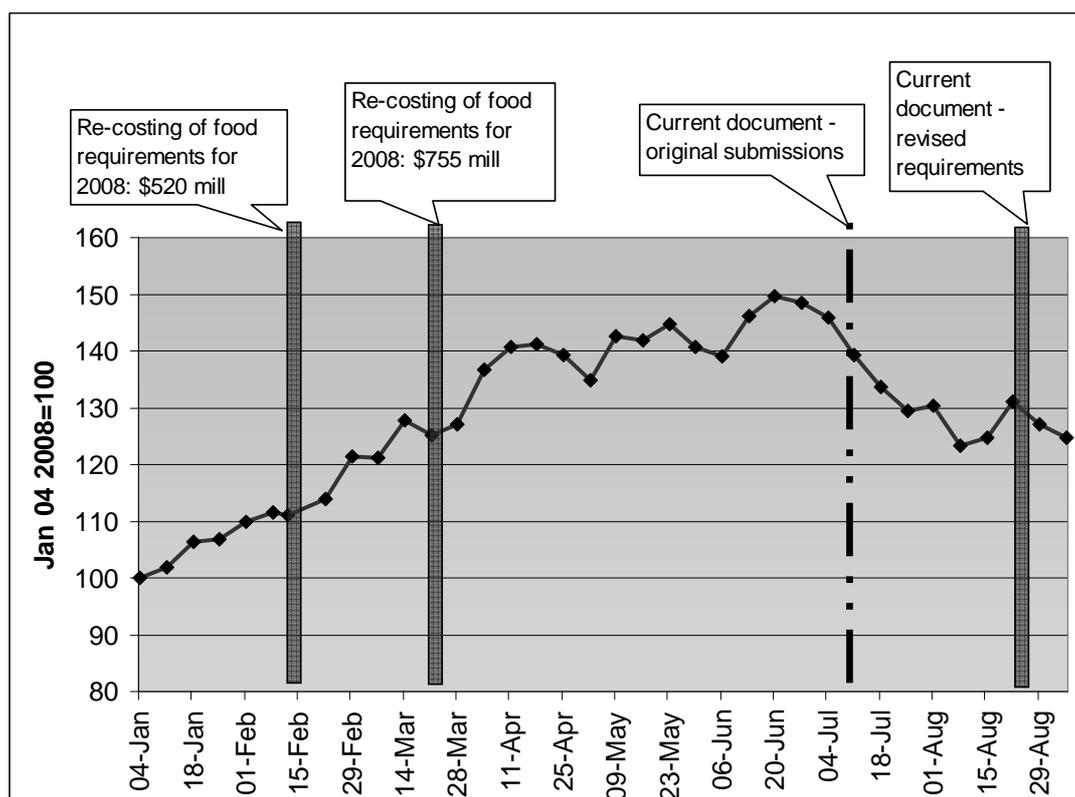


ANNEX I

Re-Costing of Food Requirements

1. Figure 2 shows the evolution of the WFP Cereal Index and the re-costing of food requirements for the Programme of Work:
 - Mid-February 2008: an additional US\$520 million estimated for food costs for existing projects in 2008.
 - Mid-March 2008: an additional US\$755 million estimated requirements for food costs in 2008.
 - The requirements presented in this document are US\$620 million lower than the original submissions by country offices in July 2008.
 - The requirements were revised downwards to reflect prices as of 25 August 2008 – indicating about US\$750 million per year in additional requirements for food costs relating to the Programme of Work in the original Biennial Management Plan (2008–2009), broadly in line with the US\$755 million per year calculated in March 2008.

FIGURE 2: WFP CEREAL INDEX 2008



ANNEX II

Indicators

1. This Annex contains the indicators used to monitor the financial parameters of WFP. The Secretariat has been following these parameters regularly, but reporting on them has been developed in response to requests from the Executive Board and will be further developed in the future.
2. The financial indicators in this Annex are: i) unit costs for food projects; ii) price indexes – international prices for cereals and crude oil; iii) ISC income and PSA expenditure;

Unit Costs for Food Projects

3. Following the method set out in the WFP analysis of cost components¹ and followed in Annual Performance Reports (APRs), unit costs for food projects² are analysed on the basis of cost per mt of food distributed. Table 20 shows the evolution of unit costs for each cost component.

TABLE 20: WFP COST COMPONENTS FOR FOOD PROJECTS					
	Actual			Budget	
	2004–2005	2006	2007	2008	2009
Total Expenditure					
Food	2 147.7	943.6	1 173.0	2 732.14	2 950.2
External transport	524.5	242.1	218.0	582.90	595.1
LTSH	1 240.2	720.3	600.0	1 078.79	1 078.4
ODOC	109.1	52.5	59.0	145.25	118.7
DSC	446.8	272.0	265.0	485.48	483.8
Total	4 468.3	2 230.5	2 315.0	5 024.56	5 226.1
Rate per mt					
Food	269.6	250.0	333.0	463.86	534.46
External transport	65.8	59.9	66.1	98.96	107.81
LTSH	155.7	178.3	181.8	183.16	195.36
ODOC	13.7	13.0	17.9	24.66	21.50
DSC	56.1	67.3	80.3	82.43	87.64
Total	560.9	552.1	701.5	853.07	946.76
Distribution (mt million)	7.97	4.04	3.3	5.89	5.52

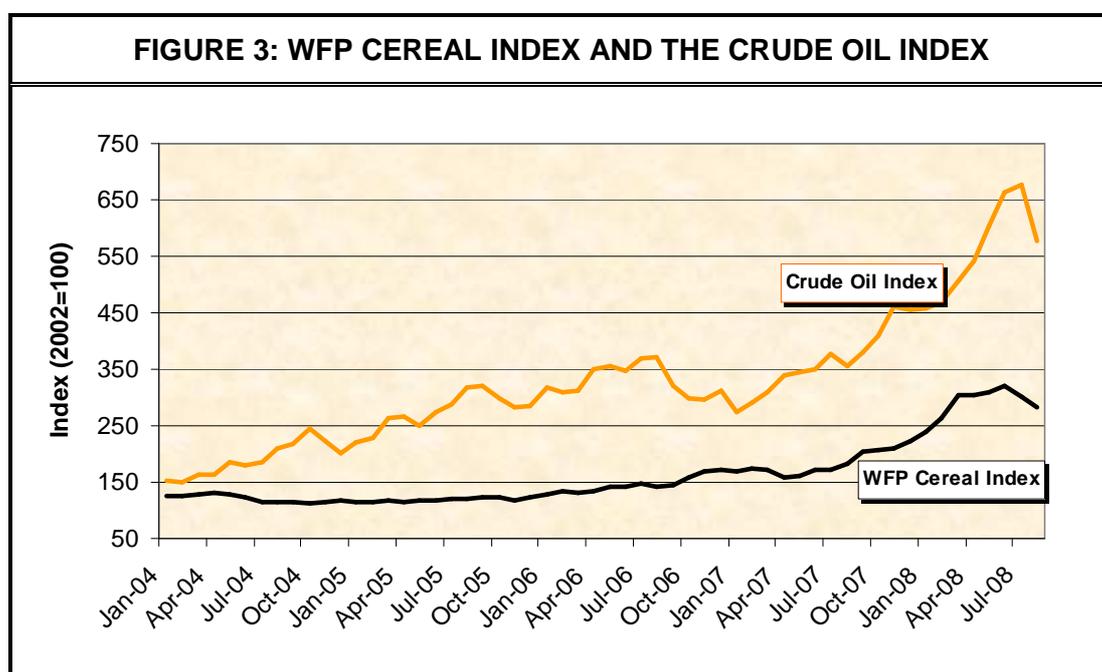
¹ “Analysis of WFP Cost Components” (WFP/EB.A/2006/6-G/1)

² Expenditures for Special Operations that do not have a food component are excluded.



Price Indexes

4. The WFP Cereal Index is intended to broadly represent the impact of changing prices on the cost of WFP cereals. It is composed of four commodities: wheat, maize, sorghum and rice. The price of the WFP cereal basket, calculated as the weighted average of these four cereals, is indexed from 1 January 2002. The weight of each cereal in the index is based on their value in the 2007 WFP food basket. Wheat accounts for 28.2 percent of the index, maize 23.8 percent and sorghum and rice 24.0 percent each. Prices are based on the FAO International Commodity Prices database.
5. The crude oil index tracks the price of crude oil, indexed from January 2002. It is based on Brent crude oil futures.



3. ISC Income and PSA Expenditure

6. The Secretariat regularly monitors PSA expenditure and ISC income to ensure that funding is available to cover support cost expenditure.

	2002	2003	2004	2005	2006	2007	2008	2009
ISC	144	209	204	162	159	166	252	228
PSA	98	134	173	212	212	214	203	225
Surplus/Deficit	46	75	31	-50	-52	-48	49	3

ANNEX III: DIVISIONAL OVERVIEW

	2008-2009 original PSA budget				2008-2009 additional PSA budget				2008-2009 revised PSA budget			
	Posts	Staff US\$	Other US\$	Total US\$	Posts	Staff US\$	Other US\$	Total US\$	Posts	Staff US\$	Other US\$	Total US\$
Office of the Executive Director	28.0	9 240 840	2 641 247	11 882 087	6.0	1 477 500	977 601	2 455 101	34.0	10 718 340	3 618 848	14 337 188
Office of the Ombudsman	2.0	791 760	83 547	875 307	-	23 160	35 001	58 161	2.0	814 920	118 548	933 468
Communications and Public Policy Strategy Division	30.0	8 758 200	2 804 991	11 563 191	13.0	3 318 250	2 770 901	6 089 151	43.0	12 076 450	5 575 892	17 652 342
Office of Evaluation	10.0	3 634 285	1 766 285	5 400 570	1.0	84 600	214 595	299 195	11.0	3 718 885	1 980 880	5 699 765
Policy, Planning and Strategy Division	13.0	5 159 640	780 000	5 939 640	12.0	2 349 080	1 155 030	3 504 110	25.0	7 508 720	1 935 030	9 443 750
Inspector General and Oversight Services Division	28.0	8 133 360	2 507 277	10 640 637	3.0	810 180	201 193	1 011 373	31.0	8 943 540	2 708 470	11 652 010
Office of the ASG of Operations Management	8.0	3 057 840	298 452	3 356 292	2.0	510 200	103 848	614 048	10.0	3 568 040	402 300	3 970 340
Human Resources Division	89.0	17 345 340	2 961 655	20 306 995	3.5	4 004 683	3 366 835	7 371 518	92.5	21 350 023	6 328 490	27 678 513
Information and Comm. Technology Division	76.5	17 429 340	13 156 424	30 585 764	(0.2)	912 810	2 333 230	3 246 040	76.3	18 342 150	15 489 654	33 831 804
Security and Management Services Division	65.0	10 106 280	11 638 648	21 744 928	4.0	924 720	5 409 862	6 334 582	69.0	11 031 000	17 048 510	28 079 510
Logistics, Transport and Procurement	69.0	18 131 400	1 922 382	20 053 782	18.0	3 463 735	85 414	3 549 149	87.0	21 595 135	2 007 776	23 602 911
Programme Design and Support	56.5	16 698 780	2 583 456	19 282 236	17.5	4 529 475	1 023 587	5 553 062	74.0	21 228 255	3 607 043	24 835 298
Office of the ASG External Affairs and Resource Development Department	6.0	1 750 080	292 093	2 042 173	(2.0)	-388 200	-7 027	-395 227	4.0	1 361 880	285 066	1 646 946
Government Donor Relations Division	57.0	14 633 160	4 262 445	18 895 605	9.5	1 626 955	823 976	2 450 931	66.5	16 260 115	5 086 421	21 346 536
Private Donor Relations Division	2.0	800 160	671 590	1 471 750	-	150 112	544 801	694 913	2.0	950 272	1 216 391	2 166 663
Executive Board Secretariat	22.0	5 481 960	1 318 040	6 800 000	-	216 640	1 382 075	1 598 715	22.0	5 698 600	2 700 115	8 398 715
External Relations Division	21.0	5 981 160	1 723 120	7 704 280	5.0	2 158 260	155 300	2 313 560	26.0	8 139 420	1 878 420	10 017 840
Office of Chief Financial Officer	73.0	16 167 225	1 752 193	17 919 418	11.0	3 680 955	-108 993	3 571 962	84.0	19 848 180	1 643 200	21 491 380
Office of Legal Services	22.0	5 295 840	688 679	5 984 519	3.0	536 815	23 723	560 538	25.0	5 832 655	712 402	6 545 057
Regional Bureaux and Country Offices	639.4	63 023 420	40 732 250	103 755 670	6.0	3 015 377	12 048 772	15 064 149	645.3	66 038 797	52 781 022	118 819 819
Central Appropriations	-	6 750 000	12 045 000	18 795 000	-	0	145 000	145 000	0.0	6 750 000	12 190 000	18 940 000
GRAND TOTAL	1 317.4	238 370 070	106 629 754	344 999 824	112.3	33 405 307	32 684 725	66 090 032	1 429.6	271 775 377	139 314 479	411 089 856



ANNEX IV

Strategic Objective Activities

- The value and food tonnage of the activities under each Strategic Objective are given in the following tables, together with the proportion of value and food volume devoted to each activity within the Strategic Objective.

Strategic Objective 1: Save lives and protect livelihoods in emergencies

Activity	Value (US\$)	%	Tonnage	%
General food distribution	2 175 610 172	76	1 959 771	77
Supplementary feeding	294 185 463	10	299 983	12
Other	386 105 248	14	286 972	11
Total	2 855 900 883	100	2 546 726	100

Strategic Objective 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures

Activity	Value (US\$)	%	Tonnage	%
Disaster prevention	19 133 725	25	19 853	27
Vulnerable group feeding	16 131 417	21	17 517	24
Food for work	15 268 820	20	11 012	15
Food for assets	11 874 189	16	12 606	17
Other	13 363 195	18	12 862	17
Total	75 771 346	100	73 850	100

Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations

Activity	Value (US\$)	%	Tonnage	%
Vulnerable group feeding	355 270 492	33	252 425	26
General food distribution	339 590 333	31	345 159	35
Food for work	224 419 896	21	223 695	23
Food for assets	82 982 805	8	90 233	9
Other	77 940 376	7	74 957	8
Total	1 080 203 902	100	986 469	100



Strategic Objective 4: Reduce chronic hunger and undernutrition

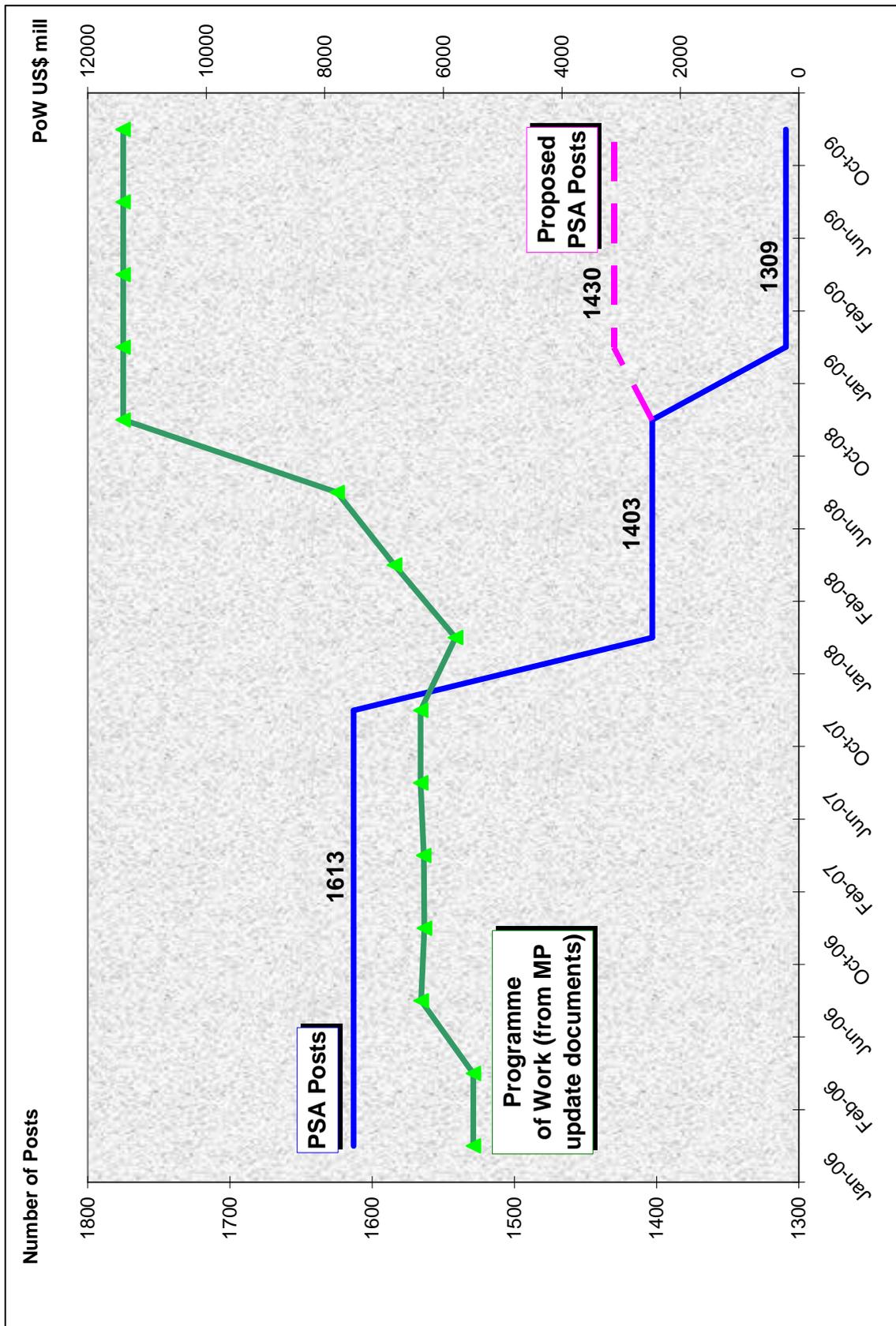
Activity	Value (US\$)	%	Tonnage	%
School feeding	601 694 471	35	627 815	33
Support for safety nets	319 028 551	19	380 228	20
MCHN	242 302 561	14	299 422	16
Take-home rations	139 809 123	8	150 390	8
Vulnerable group feeding	125 342 358	7	162 487	9
HIV and AIDS programming	124 219 777	7	143 948	8
Other	146 937 983	9	146 700	8
Total	1 699 334 826	100	1 910 991	100

Strategic Objective 5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase

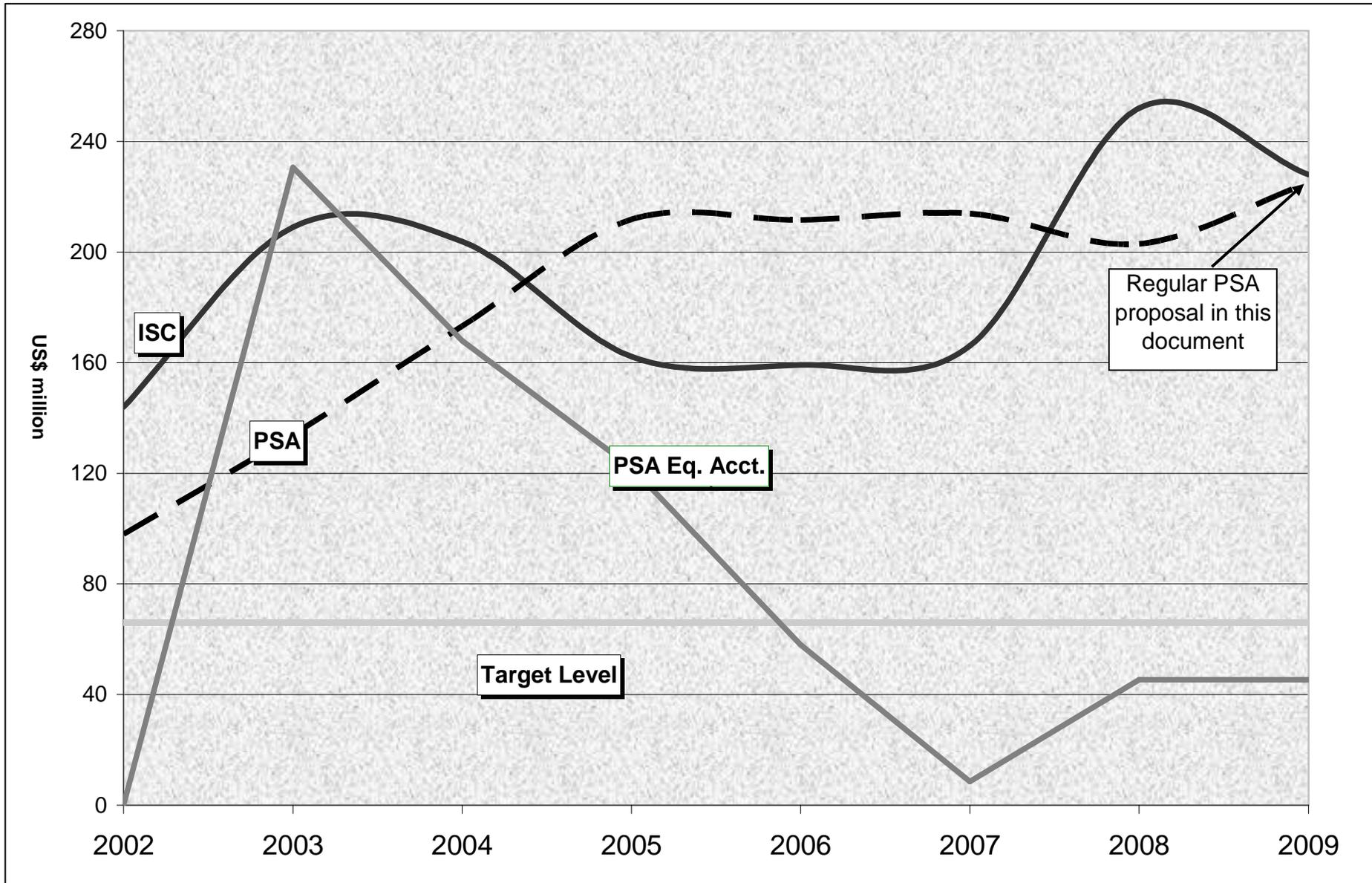
- Activities under Strategic Objective 5 are funded mainly through trust funds and bilateral operations; only US\$11 million and 6,000 mt of food are included in the regular Programme of Work for capacity-building.

ANNEX V

TOTAL PSA POSTS AND PROGRAMME OF WORK 2006-2009



ISC AND PSA 2002–2009



ACRONYMS USED IN THE DOCUMENT

AIDS	acquired immune deficiency syndrome
APR	Annual Performance Report
ASG	Assistant Secretary-General
CMR	crude mortality rate
DPRK	Democratic People's Republic of Korea
DSC	direct support costs
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFW	food for work
FL	Finance and Legal Division
FLB	Office of Budget and Financial Planning
GFD	general food distribution
ICT	information and communications technology
IDP	internally displaced person
IFPRI	International Food Policy Research Institute
IPSAS	International Public Sector Accounting Standards
ISC	indirect support costs
LTSH	landside transport, storage and handling
MCHN	mother-and-child health and nutrition
MDG	Millennium Development Goal
MOSS	minimum operating security standards
NGO	non-governmental organization
ODOC	other direct operational costs
OECD	Organisation for Economic Co-operation and Development
OEDC	Communications and Public Policy Strategy Division
OEDE	Office of Evaluation
OEDP	Policy, Planning and Strategy Division
OSD	Inspector General and Oversight Services Division
OVC	orphans and other vulnerable children
PRSP	Poverty Reduction Strategy Paper
PSA	Programme Support and Administrative (budget)
RBM	results-based management

RDA	recommended daily allowance
SO	special operation
TB	tuberculosis
UNSMS	United Nations Security Management System
USDA	United States Department of Agriculture
VAM	vulnerability analysis and mapping
VGf	vulnerable group feeding
WINGS	WFP Information Network and Global System