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INFORMATION NOTE ON FUNDING OF SECURITY MANAGEMENT ARRANGEMENTS

* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

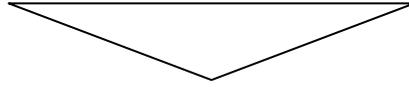
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Chief, Field Security Branch, ADMF: Mr M. Lorentzen tel: 066513-2343

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).



DRAFT DECISION*



The Board takes note of the information contained in “Information Note on Funding of Security Management Arrangements” (WFP/EB.A/2007/12-C).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.A/2007/15) issued at the end of the session.



BACKGROUND

1. At its Annual Session in 2006, the Board considered the document “Information Paper on the Funding of Security Management Arrangements” (WFP/EB.A/2006/13-C) and took note of the Secretariat’s intention to inform the Board periodically of progress and to report any significant changes in WFP’s share of costs or in the cost-sharing mechanism.
2. This document provides information on WFP’s share of United Nations Department of Safety and Security (UNDSS) field-related security costs, including funding, and all other WFP security costs for the current biennium, including the 2006–2007 Security Maintenance Fund.

2006–2007 UNITED NATIONS DEPARTMENT OF SAFETY AND SECURITY COST-SHARE OF UNITED NATIONS FIELD-RELATED SECURITY COSTS

3. At its First Regular Session in 2005, the Board agreed to support the Secretary-General in implementing a strengthened and unified security management system for United Nations staff worldwide (WFP/EB.1/2005/10), so that WFP staff can continue their important mission of feeding the hungry poor in less-than-secure areas of the world.
4. Organizations participating in the United Nations Security Management System (UNSMS) are collectively responsible for the safety and security of United Nations personnel. Field-related costs are apportioned among these organizations; central management costs are assumed by the United Nations. The cost-sharing formula is calculated according to the number of staff members based in countries that are not members of the Organisation for Economic Co-operation and Development (OECD), and for whose safety and security the United Nations system is responsible.
5. Under the existing cost-sharing formula, WFP’s projected share for 2006–2007 is US\$22.6 million, on the basis of 9,230 staff in the field, as indicated in the Biennial Management Plan 2006–2007 (WFP/EB.2/2005/5-A/1). This is equivalent to 13.3 percent of all United Nations field staff.
6. WFP believes that United Nations staff safety and security costs should be paid out of the United Nations regular budget and not from voluntary contributions. It advocates for this approach with Member States, but in the meantime, WFP must continue to fund its share of costs for the United Nations Security Management System (UNSMS).
7. The Biennial Management Plan 2006–2007 outlined the intention to recover these costs from projects as direct support costs (DSC). As stated in the “Update on the WFP Management Plan 2006–2007” (WFP/EB.1/2007/6-A/1), however, the Secretariat has reviewed this option and found it to be impractical.
8. For WFP, UNDSS costs are a share of the costs of another organization, so cannot usually be linked to individual WFP projects, making it difficult to justify these costs to project managers and donors. In addition, the costs are not “directly linked with the provision of support to an operation”, the first prerequisite for categorizing a cost as DSC under Financial Regulation 1; the second prerequisite is that it “would not be incurred should that activity cease”. Because these costs are incurred regardless of the number and size of individual projects, they cannot be classified as DSC.



9. The Secretariat therefore proposed that UNDSS costs be funded from the General Fund, in line with their treatment in the 2004–2005 biennium.
10. WFP has recruited three WFP senior security advisers, who monitor the performance of the UNDSS work plan and are responsible for coordinating security activities, reporting and analysis, preventive measures, training and immediate redeployment in emergency situations.
11. For 2006, the amount invoiced to WFP for UNDSS was US\$9,359,083; the current projection for 2007 is US\$8,970,495. Total costs for the biennium are therefore expected to be less than the original US\$22.6 million budget, including WFP costs for the three senior security advisers. The exact figure will be known on approval of the UNDSS Performance Report for 2007. Any remaining unspent balance under the cost-shared portion of the UNDSS budget will be credited to the participating agencies.
12. UNDSS will continue to provide regular and detailed reports on the structure and distribution of jointly financed posts, with their corresponding functions and incumbency status. Details on contributions to finance security-related expenditures for participating organizations' field operations and on actual expenditure will be presented in the United Nations Secretariat Performance Report

2008–2009 UNITED NATIONS DEPARTMENT OF SAFETY AND SECURITY COST-SHARE OF UNITED NATIONS FIELD-RELATED SECURITY COSTS

13. Under the auspices of the High-Level Committee on Management (HLCM), there have been two major developments relating to security and safety in the United Nations over recent months.
14. In October 2006, the Report of the Technical Working Group on Safety and Security (CEB/2006/HLCM/18), chaired by WFP, was issued. The report examined options for re-prioritizing the activities of UNDSS and corresponding funding mechanisms in the 2008–2009 biennium.
15. The working group concluded that the 2008–2009 UNDSS budget submittal should reflect no base growth on the 2006–2007 cost-shared portion of the budget, but would be subject to re-costing later for such elements as inflation. It was also recommended that a first-response surge capacity be created, based on the use of existing UNDSS resources at duty stations designated as surge capacity locations, each of which would contribute one Field Security Coordination Officer (FSCO) for re-deployment in the event of a crisis. The working group recommended that all appeals for funding – whether consolidated or individual – at the onset of an emergency should make provision for the security needs of each crisis; HLCM will assist and authorize UNDSS to seek and use funding from such alternative sources as Member States, the Trust Fund, the Central Emergency Response Fund (CERF), inter-governmental organizations (IGOs), stand-by partners, and the private sector, for purposes that fall within the approved mandate of UNDSS.
16. In March 2007, the Technical Working Group on Cost-Sharing of UNSMS, chaired by WFP, produced its report (CEB/2007/HLCM/5), which reviewed the current cost-sharing formula of UNSMS to ensure that it is fair, transparent and based on objective parameters.



17. The working group concluded that although there are limitations in the formula, apportionment by headcount – percentage of field staff – is currently the most equitable way of sharing UNDSS field costs. For the 2008–2009 biennium, the cost-share formula will be based on headcount at 31 December 2006.

WFP INTERNAL SECURITY COSTS

18. In addition to the costs of participating in UNSMS, WFP bears substantial internal costs for security-related items that enable its mission.

Field Security Officers

19. During 2004–2005, six regional security advisers were funded under the Security Upgrade Programme for the regional bureaux. In 2006–2007, one WFP senior security adviser was recruited respectively for Africa, the Middle East/Asia and the Americas. The costs of salaries for these posts, travel and limited security equipment are included in the US\$22.6 million allocation for United Nations field-related costs.
20. During 2004–2005, 43 field security officers (FSOs) were recruited, 21 of whom were paid from the Security Upgrade Programme and 22 from DSC. In 2006–2007, all 36 WFP FSOs are funded directly by DSC.

Malicious Acts Insurance Policy

21. WFP subscribes to a malicious acts insurance policy (MAIP), which provides relief for the families of international and national staff who sacrifice their lives accomplishing WFP's mission of feeding the hungry poor. Uninterrupted coverage for more than 10,000 WFP staff and associated personnel required US\$2 million for 2006–2007, the same level as 2004–2005.

Security Equipment/Minimum Operating Security Standards compliance

22. Security and safety-related equipment is provided to ensure that all WFP country offices comply with minimum operating security standards (MOSS), and often also in response to a threat and risk assessment. This equipment is funded mainly through project DSC. Minimum requirements for security communications equipment and infrastructure – such as VHF radios – are also met through DSC, as are other security-related costs for evacuations, relocations, etc.
23. At certain duty stations, staff may follow additional residential security measures approved by the country-level security management team; these are funded out of standard staff costs.

SECURITY MAINTENANCE FUND

24. One-time security upgrades, such as the installation of blast-resistant film and the relocation and reinforcement of the Headquarters main entrance gate, were completed during 2004–2005. To guarantee that safety and security measures for WFP staff continue to improve, the Security Maintenance Fund covers the basic requirements of MOSS compliance should a new office open and/or a security phase change to a higher



level, and the updating of threat and risk assessments for all WFP country offices during the 2006–2007 biennium, through self-assessment where possible.

25. Table 1 indicates the original allocations for the 2006–2007 Security Maintenance Fund and the amounts committed at the end of March 2007. Implementation of this plan is monitored by the Field Security Branch of the Management Services Division.

TABLE 1. SECURITY MAINTENANCE FUND 2006–2007 (US\$)			
Category	Original allocation	Committed at end March 2007	Percentage of allocation committed
Security risk assessments	300 000	201 889	67%
MOSS equipment	1 700 000	1 465 826	86%
Total	2 000 000	1 667 715	83%

Security Risk Assessments

26. Given the high priority of staff security in operational areas and the continuing threats to which WFP staff in the field are subjected, WFP intends to reassess all its country offices once every biennium. During 2004–2005, all assessments were carried out by external resources; in this biennium WFP is introducing a self-assessment policy. For 2006–2007, US\$300,000 has been allocated to an assessment schedule that allows the widest possible coverage while containing costs.
27. Under this approach, ten risk assessments have been carried out by external resources, and 17 by WFP's in-country, Headquarters-based or neighbouring country FSOs, or by UNDSS. The six assessments planned for the coming quarter will all be conducted by in-country WFP FSOs. A small number of assessments may be conducted by external security resources in countries where specific problems that warrant independent assessment have been identified. The phased implementation of a self-assessment policy will be reconsidered for the next biennium.

Security Equipment

28. During 2004–2005, the Security Upgrade Programme provided all countries with funding for equipment. For 2006–2007, WFP will strive to maintain full MOSS compliance, including for newly-opened offices, changed security phases, and needs identified from security risk assessments. For this biennium, US\$1,700,000 has been allocated to new office premises, for the procurement and installation of blast-resistant film, and the construction/reinforcement of bunkers/safe havens, perimeter fences and walls and other protective measures. Funding has also been provided for such MOSS requirements as telecommunications equipment, global positioning systems (GPS), ballistic blankets, body armour, trauma kits, first-aid kits, fire detectors and fire extinguishers.
29. The Secretariat will inform the Board periodically of progress, and report any significant changes to this allocation plan.



THE WAY FORWARD

30. In keeping with HLCM's mandate, the working group concluded that there are inherent limitations in the cost-sharing formula and recommended that HLCM proceed with a more comprehensive project that examines the issue globally, before the 2010–2011 biennium.
31. Issues such as alternative sources of funding, Member States' awareness and support of security issues, cross-subsidization, affordability and longer-term options for sustainable funding for security need to be addressed. The recurring issue of funding security costs from the United Nations regular budget should be addressed decisively.
32. The manner in which UNSMS members link normative guidance and operational functions needs to be examined, with a view to mainstreaming appropriate costs into project, programme and country-level budgets, especially in light of United Nations reform. Incorporating best practices into the uniform framework for level of services at all agencies in the UNDSS results-based framework should be considered.
33. The Executive Director will continue to support the Secretary-General in implementing a strengthened and unified security management system for United Nations staff worldwide, and in advocating with Member States and other executive heads of agencies so that the General Assembly considers funding UNSMS from the United Nations Regular Budget.
34. The Secretariat will update the Board at its Annual Session each year on implementation of new security management arrangements in the United Nations system, and their financial implications, including any significant changes in WFP's share of costs or in the cost-sharing mechanism.
35. WFP will continue to work with UNDSS and the inter-agency field and Headquarters security networks to develop an implementation strategy and mechanisms that ensure a robust, coordinated global security management system.

ACRONYMS USED IN THE DOCUMENT

ADMF	Field Security Branch
CERF	Central Emergency Response Fund
DSC	direct support costs
FSCO	Field Security Coordination Officer
FSO	field security officers
GPS	global positioning systems
HLCM	High-Level Committee on Management
IGO	inter-governmental organization
MAIP	malicious acts insurance policy
MOSS	minimum operating security standards
OECD	Organisation for Economic Co-operation and Development
UNDSS	United Nations Department of Safety and Security
UNSMS	United Nations Security Management System