

برنامج  
الأغذية  
العالمي



Programme  
Alimentaire  
Mondial

World  
Food  
Programme

Programa  
Mundial  
de Alimentos

**Executive Board  
Third Regular Session**

**Rome, 20–24 October 2003**

# **RESOURCE, FINANCIAL AND BUDGETARY MATTERS**

Agenda item 5

***For approval***



Distribution: GENERAL

**WFP/EB.3/2003/5-A/1**

10 September 2003

ORIGINAL: ENGLISH

## **WFP BIENNIAL MANAGEMENT PLAN (2004–2005)**

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

# Note to the Executive Board

**This document is submitted for approval by the Executive Board.**

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 of Staff, Director, Office of the Executive Director and Administration: Mr M. Stayton tel.: 066513-2002

Director, Office of Budget (OEDB): Mr A. Abdulla tel.: 066513-2605

Chief Budget Officer, OEDB: Ms K. Heinemann tel.: 066513-2771

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).





**Executive Board  
Third Regular Session**

**Rome, 20–24 October 2003**

# **WFP BIENNIAL MANAGEMENT PLAN (2004–2005)**

**RESOURCE, FINANCIAL AND BUDGETARY MATTERS  
Agenda Item 5**



## DOCUMENT OVERVIEW

The Management Plan 2004–2005 is one of the new three governance tools. It is based on the Strategic Plan and creates a link with the Annual Performance Report, building on the positive features of past budget documents. It maintains the standard harmonized format of biennial budgets adopted by other voluntarily funded United Nations funds and programmes. In following best practices, the report borrows the layout of the World Health Organization (WHO) 2002–2003 budget, showing expected results, indicators and resources needed to implement the Strategic Plan. The Management Plan indicates the resources required for operational budget and related support costs and links operational and management activities with WFP's strategic and management priorities. It consists of:

- ◇ the **Transmittal Letter**, in which the Executive Director highlights WFP operational performance for 2002–2003 and states the key factors taken into account in preparing the Management Plan;
- ◇ the **Executive Summary**, which lays the foundation for the "needs-driven" 2004–2005 budget proposal, includes the capacity-building initiatives designed to strengthen WFP priority areas and a summary of the 2004–2005 WFP budget, presenting it in a historical context, along with a Draft Decision submitted for Executive Board approval;
- ◇ the **Overview of the 2004–2005 Budget**, which highlights strategic and management priorities and the focus of the budget, summarizing resource requirements for 2004–2005 for operational and support activities and reviewing implementation of the 2002–2003 budget;
- ◇ the **2004–2005 Operational Budget**, detailing resources required to meet direct operational costs (DOC) for all programme categories and setting out the operational budget by strategic priority and expected results;
- ◇ the **2004–2005 Support Budget**, which details the resources needed to support the operational budget, covering objectives, expected results and performance indicators; and
- ◇ the **tables and annexes**, which contains two new annexes—"Follow-up to Advisory Committee on Administrative and Budgetary Questions (ACABQ) Recommendations" and the "Office of Evaluation (OEDE) Workplan"—the 2002–2003 projected income and expenditures and changes in fund balances, the programme support and administrative (PSA) costs and direct support costs (DSC) staffing table comparing 2002–2003 levels with 2004–2005 proposals, the PSA budgets for 2002–2003 and 2004–2005 by organization unit and by appropriation line, the proposed WFP organizational chart for 2004–2005 with acronyms and the methodology used for the 2004–2005 budget, including factors and assumptions affecting calculation of budget estimates and terms used.





## TRANSMITTAL LETTER

### To the Membership of WFP:

I am pleased to submit the Management Plan for the 2004–2005 biennium, the first under the new governance tools established by the Executive Board in June 2000. The Management Plan addresses WFP's planned implementation of the first two years of the 2004–2007 Strategic Plan and includes the 2004–2005 Budget.

Several important factors were taken into account in preparing the plan.

First, WFP experienced an unprecedented level of work during the 2002–2003 biennium, especially in 2003. To put this in perspective, WFP originally planned for a reduced level of work in the current biennium: the 2002–2003 budget was US\$2.9 billion, with delivery of 5.5 million mt of food. Current estimates for this biennium are US\$4.4 billion, an increase of 51 percent, with delivery of 8.7 million mt of food, an increase of 58 percent, as shown in the table below.

EXPENDITURES AND FOOD DELIVERIES					
	2000–2001 actual	2002–2003 original budget	2002 actual	2003* estimate	2002–2003 revised estimates
Expenditures (US\$ million)	3 190	2 931	1 690	2 714	4 404
Food delivered (million mt)	7.031	5.471	3.743	4.973	8.716

\* Excluding US\$1.4 billion and 2.9 million mt for the bilateral Oil-For-Food programme.

Second, I feel a real obligation to prepare an operating plan and budget for 2004–2005 that will meet the requirements of all programmes and projects approved by the Executive Board or under the authority delegated to Mr Diouf and me.

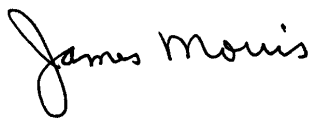
Third, we have reviewed WFP's internal capacities and organizational weaknesses and included the technical resources to address them in this Management Plan, along with completion of the two major initiatives in the last biennial budget: the Financial Management Improvement Programme (FMIP) and decentralization of WFP's regional bureaux.



Fourth, budgeting at the approved programme level and adding organizational capacity where required will cost more. We intend to add the resources necessary to improve our communications and fund-raising capabilities to a level commensurate with these operating levels.

Fifth, WFP has prepared a zero-based budget to fund approved programmes and the support to manage them on a fully integrated basis, and to provide the resources to improve WFP's fund-raising to meet these approved programme levels.

The 2004–2005 Management Plan may appear ambitious. But it must be achieved to enable WFP to address fully its humanitarian mandate in the context of the current world situation and fulfil its commitment to achieving the Millennium Development Goals.



James T. Morris  
Executive Director





# EXECUTIVE SUMMARY

## INTRODUCTION

1. WFP's 2004–2005 Management Plan is needs driven and reflects the resources necessary to implement approved activities over the first two years of the 2004–2007 Strategic Plan.
2. This Management Plan represents a departure from previous budgeting practices, which focused more on “estimated levels of fund-raising” rather than on “approved programme levels” and consequently reflected a lower level of activity.
3. The Management Plan has been developed with the following key concepts in mind:
  - ◇ to provide for 100-percent coverage of approved programme and project budgets, including provision for extending approved programmes that expire during 2004–2005, but without provision for major new emergencies during the budget period;
  - ◇ to add programme technical support capacity to improve WFP's handling of HIV/AIDS, nutrition, school feeding, staff security and gender;
  - ◇ to augment operational support capacity at Headquarters, the regional bureaux and country offices in the areas of needs assessment, contingency planning, vulnerability assessment and mapping (VAM) and air safety, which relied heavily on extra-budgetary funding in prior years;
  - ◇ to provide increased core programme support and administrative (PSA) funding for evaluation activities in line with the evaluation workplan;
  - ◇ to address the weaknesses articulated in the Strategic Plan by strengthening administrative functions, introducing corporate-wide results-based management (RBM), capitalizing on the WFP Information and Global System (WINGS), upgrading field financial expertise and improving human-resource management; and
  - ◇ to strengthen fund-raising and communications capacity to broaden WFP's donor base.

## Executive Board Approvals

4. Although the Management Plan covers all operational and financial aspects necessary to implement the Strategic Plan for 2004–2005, the Executive Board is requested to approve the following three aspects:

i.	The PSA budget, to be funded from a 7 percent indirect support cost (ISC) rate	US\$305 million
ii.	Non-recurring capacity-building, capital investments and security upgrades, to be funded from the General Fund	US\$39 million
iii.	Exchange rate variance on staff costs, to be funded from the PSA Equalization Account	US\$41 million



## Management Plan Financial Summary

5. The projected budget required to implement this Management Plan is US\$4.78 billion over the biennium: US\$4.36 billion of operational costs and US\$422 million of other Management Plan costs, including US\$91 million of new capacity-building initiatives, and US\$41 million for exchange rate variance and US\$10 million for security upgrades.

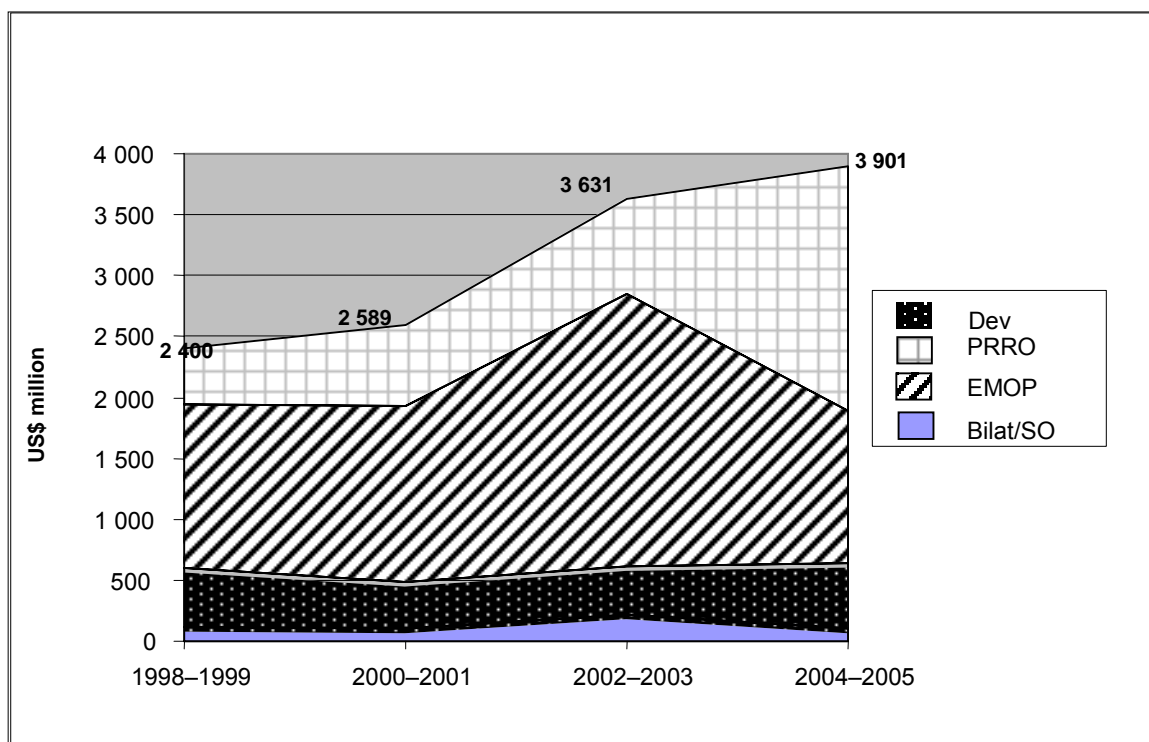
<b>ESTIMATED EXPENDITURE BUDGET FOR 2004–2005</b> (US\$ million)			
	<b>Programmes and support</b>	<b>Capacity- building</b>	<b>TOTAL</b>
<b>Programme costs</b>			
– DOC	3 901		<b>3 901</b>
– DSC	446		<b>446</b>
– UNSECOORD/assessment	15		<b>15</b>
<b>TOTAL PROGRAMME COSTS</b>	<b>4 362</b>		<b>4 362</b>
<b>Other costs</b>			
– PSA costs	251	54	<b>305</b>
– Trust funds/other	13	8	<b>21</b>
– Capacity investments (RBM & finance)	-	10	<b>10</b>
– Capital investments		19	<b>19</b>
– Security upgrades	10		<b>10</b>
– Exchange rate variance on staff costs	<b>34</b>	<b>7</b>	<b>41</b>
– Special Accounts/General Fund	16		<b>16</b>
<b>TOTAL MANAGEMENT PLAN COSTS</b>	<b>4 686</b>	<b>98</b>	<b>4 784</b>

## Historical Context

6. Direct operational costs on emergency operations (EMOPs) and protracted relief and recovery operations (PRROs) have grown by 51 percent over the past three biennia at an average annual rate of 8 percent. Development programme costs have declined in the same period.
7. It should be noted that US\$3.1 billion of the projected US\$3.9 billion direct operational cost (DOC) for 2004–2005 are for programmes already approved up to the Third Regular Session 2003, by either the Executive Board or by the FAO Director-General and the WFP Executive Director under delegated authority.

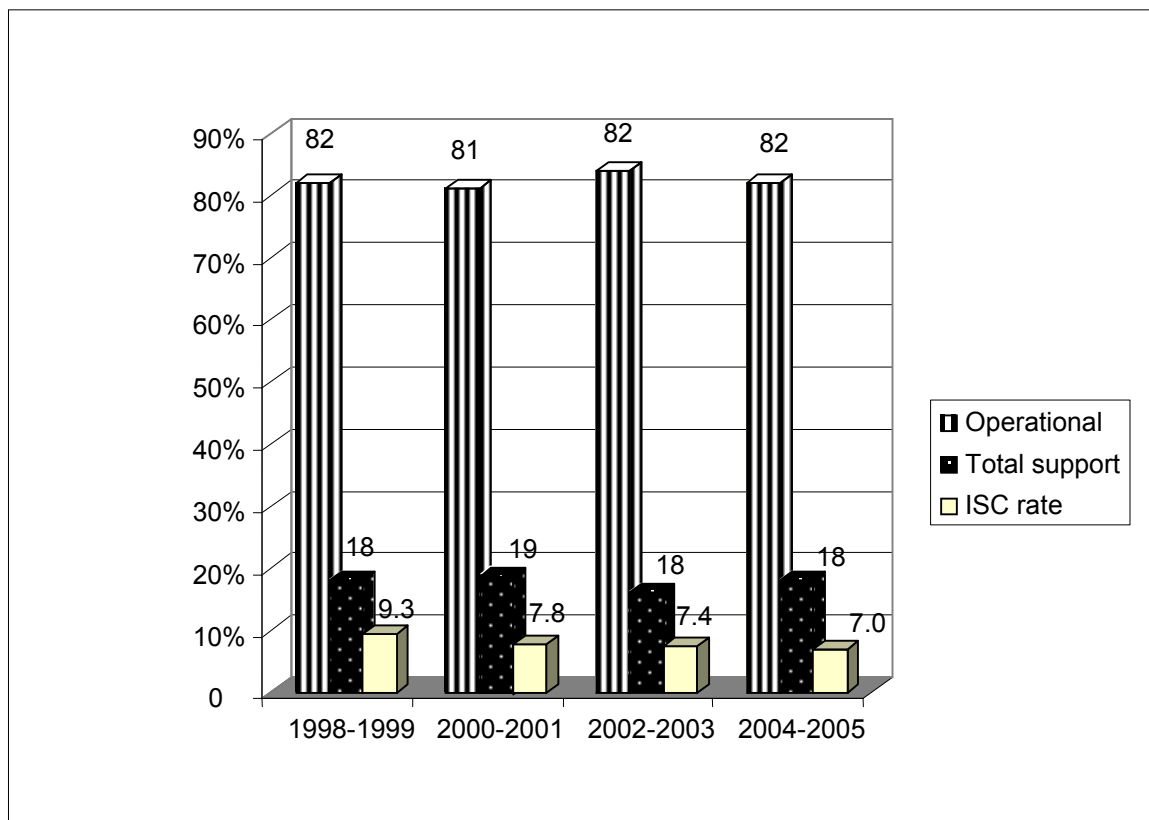


**TREND OF DOC, 1998-1999 TO 2004-2005**



8. The following is a summary of WFP expenses and ratios over the same period.

**RATIOS AS PERCENTAGE OF TOTAL COSTS**



TREND OF EXPENDITURE				
	1998–1999 actual	2000–2001 actual	2002–2003 forecast	2004–2005 budget
	(US\$ million)			
Direct operational costs	2 400	2 589	3 631	3 901
Support costs:				
–DSC	256	305	443	461
–PSA	231	230	231	305
–Other support	14	60	35	50
Security upgrades				10
Exchange rate variance of staff costs				41
Total support	501	595	709	867
Special Accounts/General Fund	17	6	64	16
<b>TOTAL COSTS</b>	<b>2 918</b>	<b>3 190</b>	<b>4 404</b>	<b>4 784</b>
ISC rate (%)	9.3	7.8	7.4	7.0
Food delivered (mt)	6.182	7.031	8.716	8.967

9. Total support costs—DSC, PSA and other—which should be viewed in the aggregate for historical comparison purposes because of reclassifications over the years, ranged from 18 percent to 19 percent. DOC ranged between 81 percent and 82 percent. WFP was able to contain a record programme level of US\$3.6 billion in the current biennium, with 18 percent of total support costs.
10. The current biennium forecast includes US\$500 million for the Iraq EMOP, but excludes an estimated US\$1.4 billion for Iraq Oil-for-Food (OFF) work in 2003. The combined Iraq OFF and EMOP stretched WFP's support capabilities in 2003 almost to the breaking point. Many support functions were deferred in order to respond to the Iraq crisis; at the same time there was an unprecedented level of work in Southern Africa, the Horn of Africa, Afghanistan and the Democratic People's Republic of Korea (DPRK).

### Proposed Budget Changes

11. WFP needs to recover from the extreme workload of 2003 and augment technical capacity and administrative systems to support approved programmes. WFP management does not recommend maintaining the artificially low 2002–2003 level of support costs for the 2004–2005 biennium.



12. The budget costs of the proposed 2004–2005 Management Plan are US\$4.784 billion, US\$380 million more than the 2002–2003 forecast of US\$4.404 billion, as explained below:

<b>PROPOSED BUDGET CHANGES (US\$ million)</b>	
Approved DOC	270
Support costs on increased operations (DSC)	18
Capacity-building	
– Increased programme support (HIV/AIDS, school feeding, nutrition, RBM)	23
– Administrative strengthening (ICT, finance, HR, etc.)	33
– Partnerships, communications, broadening donor base	15
– Increased staff security	1
– Capital investment	19
<b>Subtotal capacity-building</b>	<b>91</b>
<b>Security upgrades</b>	<b>10</b>
<b>Exchange rate variance on staff costs</b>	<b>41</b>
Special Accounts/General Fund/other	(50)
<b>Total proposed budget changes</b>	<b>380</b>

13. WFP is proposing an indirect support cost (ISC) rate of 7.0 percent for 2004–2005, the same as 2003 and lower than the previous three biennia. A review of approved programmes, a zero-based budget process and evaluation of WFP's technical and administrative capacities give the management reason to believe that the support budget required for 2004–2005 can be contained by using this rate, and that this is an *appropriate* level.
14. The proposed Management Plan envisages full implementation of approved programmes and the necessary internal capacity-building, even though WFP management understands that this level of funding may not be available from donors. The management will constantly review funding levels with a view to reducing spending if full funding is not available.

## **Human Resources**

15. The number of full-time employees is expected to decrease from 9,852 at 30 June 2003 to an average annual level of 9,411 in 2004–2005. Programme-funded positions are projected to decrease by 818; PSA positions are budgeted to increase by 377. Some of these increases result from regularization of the funding source of core activities such as evaluation, needs assessment, contingency planning and VAM, which relied heavily on extra-budgetary funding. Other increases result from additional support capacity in areas such as HIV/AIDS, school feeding, nutrition, RBM, human resources, information and communications technology (ICT) and finance.



16. An additional Assistant Secretary-General position is included, increasing the PSA headcount from three to four such positions, for management of administrative functions during 2004–2005. The size and nature of the four pillars of WFP—the departments of Operations, Policy and External Relations, Fundraising and Communications, and Administration—warrant heads at Assistant Secretary-General level.

<b>FULL-TIME EMPLOYEES</b>		
	<b>2004–2005 budget</b>	<b>June 2003 actual</b>
Programme funded	7 793	8 611
PSA funded	1 618	1 241
<b>TOTAL</b>	<b>9 411</b>	<b>9 852</b>

17. The Management Plan for 2004–2005 is presented for review and approval by the Executive Board in accordance with Article IX of the WFP Financial Regulations.



## DRAFT DECISION

Having considered WFP's Biennial Management Plan Budget for 2004–2005, as submitted by the Executive Director in the document WFP/EB.3/2003/5-A/1, the Executive Board:

- a) **takes note** of the projected operational expenditures level of US\$3.9 billion, including US\$3.1 billion of approved programmes and the cost categories as summarized in Table 2 and detailed in Section II of this document;
- b) **approves** a net PSA appropriation in the amount of **US\$305.337 million** for the purposes indicated below:

	(US\$ thousand)
Programme support: regional and country offices	103 156
Programme support: Headquarters	28 427
Management and administration	173 754
<b>Total PSA appropriation</b>	<b>305 337</b>

- c) **approves** an ISC recovery rate of 7.0 percent to raise the required income for the PSA budget;
- d) **authorizes** the Executive Director to adjust the PSA component of the budget in accordance with any variation in volume of operations of more than 10 percent from the planned programme level;
- e) **takes note** of WFP's preliminary Business Process Review (BPR) planning, including the need to improve programme throughput, optimize cash balances and improve availability of funds to operations to assist beneficiaries and looks forward to a final Business Process Review report in February 2004;
- f) **approves** the transfer to the General Fund of US\$86.4 million from the positive balance of the PSA equalization account, which resulted from the change in income-recognition policy to accrual basis, to compensate for use of the General Fund to meet PSA deficits of US\$43.7 million in 1996–1997, US\$8.3 million in 1998–1999 and \$34.4 million in 2000–2001;
- g) **approves** setting aside US\$60 million from the General Fund, including the current amount of US\$25 million, for DSC under the DSC Advance Facility and looks forward to a review of the IRA based on the Business Process Review report in February;
- h) **authorizes** the Executive Director to allot up to US\$29 million from the General Fund to cover non-recurring capital expenditure and capacity-building costs;



- i) **authorizes** the Executive Director to allot up to US\$10 million from the remaining balance in the General Fund of US\$55 million after the above adjustments to cover one time costs for security upgrades in WFP's offices;
- j) **authorizes** the Executive Director to fund the foreign exchange impact of the lower US dollar exchange rate variance on staff costs, currently estimated at US\$41 million, from the PSA equalization account, which is projected to have a positive balance of US\$66.1 million at 31 December 2003 after the transfer of US\$86.4 million to the General Fund;
- k) **approves** the following treatment for government counterpart cash contributions:
  - i) for least developed countries (LDC), whatever such local contributions are received will be retained in the country offices as additional support resources for the country;
  - ii) for non-LDC, cash received from the government of up to 50 percent of local costs (staff and other costs) will be treated as GCCC revenue of the General Fund; any excess will be retained in the country offices as additional support resources for the country.
- l) **takes note** that no other changes to the financial policies are required to implement the Management Plan as presented, but looks forward to financial policy changes that may be required and to the final Business Process Review report in February.





# TABLE OF CONTENTS

	<b>Page</b>
<b>DOCUMENT OVERVIEW</b>	<b>i</b>
<b>TRANSMITTAL LETTER</b>	<b>iii</b>
<b>EXECUTIVE SUMMARY</b>	<b>v</b>
<b>DRAFT DECISION</b>	<b>xi</b>
<b>GENERAL NOTES</b>	<b>xvii</b>
	<b>Paragraphs</b>
<b>SECTION I. OVERVIEW OF THE 2004–2005 BUDGET</b>	<b>1–41</b>
<b>Introduction</b>	<b>1–5</b>
<b>Strategic Framework</b>	<b>6–9</b>
<b>Financial Framework</b>	<b>10–11</b>
<b>Projected Resources and Their Utilization</b>	<b>12–21</b>
Background: Review of the 2000–2001 Biennium	12–21
<b>Resource Requirements for the 2004–2005 Biennium</b>	<b>22–26</b>
<b>Direct Operational Costs</b>	<b>27–28</b>
<b>Support Costs</b>	<b>29–41</b>
Direct Support Costs	31–34
Indirect Support Costs	35–38
PSA Equalization Account and the General Fund	39
Capital Asset Fund	40
Security Upgrades	41
<b>SECTION II. 2004–2005 OPERATIONAL BUDGET</b>	<b>42–67</b>
<b>Overview</b>	<b>42–43</b>
<b>Approved Programmes</b>	<b>44–45</b>
<b>Logical Extensions</b>	<b>46–48</b>
<b>Total Operational Budget Proposal, 2004–2005</b>	<b>49–57</b>
<b>SP1: Save Lives in Crisis Situations</b>	<b>58–59</b>
<b>SP2: Protect Livelihoods in Crisis Situations and Enhance Resilience to Shocks</b>	<b>60–61</b>
<b>SP3: Support Improved Nutrition and Health Status of Children, Mothers and Other Vulnerable People</b>	<b>62–63</b>
<b>SP4: Support Access to Education and Reduce Gender Disparity in Access to Education and Skills Training</b>	<b>64–65</b>
<b>SP5: Help Governments Establish and Manage National Food-Assistance Programmes</b>	<b>66–67</b>
<b>SECTION III. 2004–2005 SUPPORT BUDGET</b>	<b>68–200</b>
<b>Financial Policy Framework Issues</b>	<b>68–78</b>
<b>Overview of the Support Budget</b>	<b>79–84</b>
<b>Direct Support Costs</b>	<b>85–87</b>
<b>Common Security: UNSECOORD</b>	<b>88–93</b>
Background: 2001–2003	88–90
Budget Proposal: Security Costs for 2004–2005	91–93
<b>Direct Support Cost Advance Facility (DSCAF)</b>	<b>94–102</b>



<b>PSA Budget</b>	<b>103–113</b>
Overview	103–110
Use of Additional PSA for 2002–2003	111
Post Upgrading	112–113
<b>Programme Support—Regional Bureaux and Country Offices</b>	<b>114–118</b>
<b>Programme Support—Headquarters</b>	<b>119–137</b>
Management and Administration	123–137
— Office of the Executive Director (OED)	126
— Business Process Review	127–131
— Policy and External Affairs Department (PED)	132
— Fundraising and Communications Department (FCD)	133
— Administration Department (AD)	134–137
<b>Trust Funds</b>	<b>138</b>
<b>Capital Asset Fund and Other Support</b>	<b>139–146</b>
Background	139–141
Capital Asset Fund, 2002–2003: Status	142–143
Recurring System Support: Status	144
CAF Proposal for 2004–2005	145–146
<b>One-Time Non-Recurring Request</b>	<b>147–159</b>
Financial Management Strengthening	147–153
Results-Based Management	154–156
Security Upgrades	157
<b>Statutory Requirements</b>	<b>158–159</b>
<b>Management Priorities, Expected Results and Performance Indicators</b>	<b>160–200</b>
<b>MP1) Strengthening Partnerships</b>	<b>161–162</b>
<b>MP2) Human Resources Management</b>	<b>163–165</b>
<b>MP3) Results-Based Management and Reporting</b>	<b>166–169</b>
<b>MP4) Strengthening WFP’s Knowledge Base</b>	<b>170–173</b>
<b>MP5) Strengthening Operational Support</b>	<b>174–175</b>
<b>MP6) Business Process Review</b>	<b>176–178</b>
<b>MP7) Increased Transparency and Accountability</b>	<b>179–185</b>
<b>MP8) Communication and Advocacy</b>	<b>186–189</b>
<b>MP9) Increased Resources for Increased Needs</b>	<b>190–200</b>
	<b>Page</b>
<b>RESULTS BY ORGANIZATIONAL UNIT—PROGRAMME SUPPORT: REGIONAL BUREAUX</b>	<b>71</b>
Asia Regional Bureau (ODB)	72
Mediterranean, Middle East and Central Asia Regional Bureau (ODC)	74
West Africa Regional Bureau (ODD)	76
Central Africa Regional Office (ODDY)	78
Southern Africa Regional Bureau (ODJ)	80
East and Central Africa Regional Bureau (ODK)	82
Latin America and the Caribbean Regional Bureau (ODPC)	84



<b>RESULTS BY ORGANIZATIONAL UNIT—PROGRAMME SUPPORT: HEADQUARTERS</b>	<b>87</b>
Office of the Associate Director of Operations (ODO)	88
Food Procurement Service (ODF)	90
Programming Service (ODP)	92
Transport Preparedness and Response Division (OTP)	94
<b>RESULTS BY ORGANIZATIONAL UNIT—MANAGEMENT AND ADMINISTRATION</b>	<b>97</b>
Business Process Review Project	98
Office of Budget (OEDB)	100
Oversight Services Division (OEDO)	102
Division of Results-Based Management (OEDR)	104
Fundraising Asia Division (FRA)	106
Communications Division (FRC)	108
Donor Relations Division (FRD)	110
European Commission Relations Division (FRE)	112
Liaison Office Japan (FRJ)	114
Fundraising New York (FRF)	116
Private Sector Division (FRP)	118
United States Relations Division (FRU)	120
Executive Board Secretariat (PEB)	122
Geneva Office (PEG)	124
New York Office (PEN)	126
External Relations Division (PER)	128
Strategy, Policy and Programme Support Division (PSP)	130
Washington Liaison Office for Bretton Woods Institutions (PSPW)	132
Finance Division (FS)	134
Human Resources Division (HR)	136
Information and Communications Technology Division (ICT)	138
Management Services Division (MS)	140
<b>ANNEXES</b>	
<b>Annex I:</b> Follow-up to ACABQ Observations and Recommendations	143
<b>Annex II:</b> Table A.1: Projected Income and Expenditures and Changes in Fund Balances, 2002–2003	157
Table A.2: Projected Balance Sheet as at 31 December 2003	158
Table A.3: Projected Income and Expenditures and Changes in Fund Balances, 2004–2005	159
Table B: PSA and DSC Staffing Table, by Appropriation Line, 2002–2003 and 2004–2005	160
Table C: PSA Budget, by Organizational Unit and by Appropriation Line, 2002–2003	163
<b>Annex III:</b> Evaluation Workplan for 2004–2005	167
<b>Annex IV:</b> Budget Methodology	175
<b>Annex V:</b> Terminology	177
<b>Annex VI:</b> Organizational Chart	181
<b>Acronyms Used in the Document</b>	<b>185</b>





## GENERAL NOTES

- ⇒ All monetary values are in United States dollars (US\$), unless otherwise stated.
- ⇒ One billion equals 1,000 million.
- ⇒ All quantities of food commodities are in metric tons (mt), unless otherwise specified.
- ⇒ In some tables, totals do not add up due to rounding.
- ⇒ Low-income, food-deficit countries (LIFDCs) include all food-deficit (net cereal-importing) countries with a per capita gross national income not exceeding the level used by the World Bank to determine eligibility for International Development Association (IDA) assistance; the figure for 2000 was US\$1,445. In 2002, 83 countries were classified by FAO as LIFDCs.
- ⇒ The United Nations category of least-developed countries (LDCs) includes “those low-income countries that are suffering from long-term handicaps to growth, in particular low levels of human resource development and/or severe structural weaknesses”. In 2002, 49 countries were classified by the United Nations General Assembly as LDCs.
- ⇒ Through the 2004–2005 Management Plan document, tables appear that show interbiennia expenditure comparisons (actual for 2000–2001, estimated for 2002–2003 and projected for 2004–2005).





## SECTION I: OVERVIEW OF THE 2004–2005 BUDGET

### INTRODUCTION

1. The Management Plan is based on the guidelines provided by the Executive Board during the informal discussions on the Strategic Plan for 2004–2007. The Board endorsed the orientation and strategic priorities of the Plan at informal sessions in March and May 2003.
2. The document reflects current financing policies, presenting a consolidated budget showing projected turnover for all cost and programme categories for the financial period in the common harmonized format adopted by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children’s Fund (UNICEF).
3. The document has a new annex, “Follow-up to ACABQ Recommendations”, as recommended by that committee. Otherwise, the document maintains the information and annexes requested by the governing bodies during previous reviews of budget documents. It includes results expected from WFP’s organizational units at the end of the 2004–2005 biennium. The document will be used as a live policy tool for guidance and evaluation of progress. WFP will seek advice from the governing bodies regarding sections that can be left out of the Management Plan for 2006–2007.
4. The main changes are shown below:

WFP Biennial Budget 2002–2003	WFP Biennial Management Plan 2004–2005
Section I: Overview of budget	No major changes. Two new tables: budget change, PSA Equalization account and General Fund balances.
Section II: Operational budget	Changed to show results indicators by strategic priorities.
Section III: Support budget	Provides information on Financial Policy Framework issues. Retains harmonized format; gives details on Capital Asset Budget and other one-time requirements; includes results and indicators.
Section IV: Tables and annexes	Added: follow-up to ACABQ recommendations; OEDE workplan.



5. With this budget proposal focusing on achieving results outlined in the strategic plan, WFP is taking a major step towards establishing a results-based culture. Simplicity is the keynote. The RBM process will continue to develop during 2004–2005.

## STRATEGIC FRAMEWORK

6. The operational budget is needs-driven (to fund all approved programmes and projects), focusing on achieving the results established for the following strategic priorities:
- ◇ **SP1)** Save lives in crisis situations.
  - ◇ **SP2)** Protect livelihoods in crisis situations and enhance resilience to shocks.
  - ◇ **SP3)** Support the improved nutrition and health status of children, mothers and other vulnerable people.
  - ◇ **SP4)** Support access to education and reduce gender disparity in access to education and skills training.
  - ◇ **SP5)** Help governments establish and manage national food-assistance programmes.
7. As the operational budget is based on approved programmes and projects, it also address the weakness “Difficulties in assuring funding for country programmes impedes full achievement of their objectives”, identified by the Strategic Plan.
8. The support budget is geared to supporting WFP operations in delivering the results for the above priorities. It will address ten (i.e., those marked by a check mark) of the weaknesses identified in the Strategic Plan:

### WEAKNESSES

- ✓ i. WFP needs to implement a comprehensive strategic human resources plan.
- ii. Programme categories can hinder seamless programming.\*
- ✓ iii. Much of WFP's ability to improve its capacity and the quality of its programming has been dependent on extra-budgetary resources.
- ✓ iv. Needs assessments require improvement.
- ✓ v. Weaknesses in business processes and inadequate mechanisms for up-front funding have led to inflexibility and operational problems.
- vi. Difficulties in assuring funding for country programmes impedes full achievement of their objectives.\*\*
- ✓ vii. Slow roll-out of the WFP Information Network and Global System (WINGS) to country offices delayed the full benefits of decentralized financial management.
- ✓ viii. WFP depends too much on a few donors.
- ✓ ix. The current full-cost recovery policy (FCR) has hindered emerging donors from contributing.
- ✓ x. Resource mobilization has been hindered because WFP is not well known to the public in donor countries.
- ✓ xi. Opportunities to use food aid as part of a broader package of assistance depends largely on operating partners, and leave WFP only partially able to control and be accountable for results.
- ✓ xii. Progress toward results-based management (RBM) has been slow, and improvements in reporting are needed.





\* No change in programme categories: the operational budget is based on the existing programme categories.

\*\* This weakness is addressed by the operational budget under the development category.

9. In addressing the above weaknesses, the support budget will focus on achieving results established for the following management priorities:

- |  |   |
|--|---|
| ◇ <b>MP1)</b> Strengthening Partnerships             | ◇ <b>MP5)</b> Strengthening Operational Support         |
| ◇ <b>MP2)</b> Human Resources Management             | ◇ <b>MP6)</b> Business Process Review                   |
| ◇ <b>MP3)</b> Results Based Management and Reporting | ◇ <b>MP7)</b> Increased Transparency and Accountability |
| ◇ <b>MP4)</b> Strengthening WFP's Knowledge Base     | ◇ <b>MP8)</b> Communication and Advocacy                |
|  | ◇ <b>MP9)</b> Increased Resources for Increased Needs   |

## FINANCIAL FRAMEWORK

10. WFP is a voluntarily funded agency and as such always faces uncertainty in its level of resources. All resources flow to projects and operations through funding windows, which are classified as multilateral or directed multilateral depending on the degree of directedness and on other donor conditions, and go to programme categories—development, EMOPs, PRROs and special operations. Contributions are required to be on a full-cost recovery basis, which means that each contribution includes the value of the commodities plus ocean transport, landside transport storage and handling (LTSH), other direct operational costs (ODOC), DSC and ISC components.
11. WFP has prepared a needs-driven budget based on approved programmes and related support costs; resourcing will be geared towards raising the funds to implement the budget.

## PROJECTED RESOURCES AND THEIR UTILIZATION

### Background: Review of the 2002–2003 Biennium

12. The level of operations in terms of food delivered for 2002–2003 was revised from 5.471 million mt to 8.716 million mt,<sup>1</sup> or 59 percent higher than the original estimate (see Table 1).
13. The value of WFP's operations in terms of expenditure, including the PSA component, amounted to US\$1.69 billion for 2002; it is projected to be US\$2.71 billion for 2003. The value of operations in terms of expenditure for 2002–2003 is estimated at US\$4.404 billion.
14. The approved PSA budget for 2002–2003 was US\$209.8 million, based on a planned level of 5.471 million mt. Within the framework of financial policy review and discussion of ISC rates, the Executive Director reduced the PSA budget by 10 percent for 2003, bringing the biennial budget to US\$200 million. The large increase in the operational level in 2003 meant that there were extra requirements from the support budget; to accommodate them, the Executive Director exercised his authority to “adjust the budget in accordance with the variations in the volume of operations when such variations are more than 10 percent of the planned level” by increasing the PSA budget. The PSA budget for 2002–2003 has therefore been revised to US\$231 million, an increase of US\$31 million, or

<sup>1</sup> Excluding the Iraq Oil-for-Food programme.



15.5 percent over the reduced PSA budget of US\$200 million, against an operational level of 8.716 million mt, an increase of 59 percent over the planned 5.471 million mt.

15. Table 1 compares original estimated expenditures with the revised estimates for 2002–2003 by programme category and cost component.

<b>TABLE 1: ORIGINAL BUDGET VERSUS REVISED ESTIMATES, 2002–2003 (US\$ million)</b>		
	<b>2002–2003 original budget</b>	<b>2002–2003 revised estimates</b>
	<b>(US\$ million)</b>	
<b>Sources of fund by programme category</b>		
–Development	599	461
–EMOP	1 297	2 650
–PRRO	864	932
–Special Operations (SOs)	51	81
–Bilateral and other operations	61	241
–Sources to programmes	2 872	4 365
–General Fund	59	79
<b>TOTAL</b>	<b>2 931</b>	<b>4 444</b>
<b>Use of funds by cost component</b>		
–Food	1 281	1 878
–Ocean transport	370	477
–LTSH	640	982
–ODOC	125	294
–DSC	248	443
–PSA	210	231
<b>Subtotal</b>	<b>2 874</b>	<b>4 305</b>
Trust Funds		20
<b>Subtotal</b>	<b>2 874</b>	<b>4 325</b>
Special Accounts/General Fund	57	79*
<b>TOTAL</b>	<b>2 931</b>	<b>4 404</b>
Balance Special Accounts/General Fund		40
<i>Volume** (thousand mt)</i>	<i>5 471</i>	<i>8 716</i>

\* includes US\$6.5 million security assessment for UNSECOORD.

\*\* tonnage excluding bilaterals.

16. Highlights of Table 1 are:

- ◇ the volume for 2002–2003 is expected to exceed projections by 3.24 million mt, or 59 percent;
- ◇ expenditures for the biennium are expected to exceed projections by US\$1.47 million, or 50 percent;
- ◇ EMOP expenditure is expected to exceed projections by 104 percent; and
- ◇ PRRO expenditure is expected to exceed projections by 8 percent.



- ◇ development expenditure is expected to be lower than projections by 23 percent;
17. Since implementation of the new resources policies in 1996, shortfalls in PSA income to meet approved PSA expenditures were met from the General Fund, as the policy of recognizing income on a cash basis had given rise to PSA shortfalls of US\$86.4 million over the past three biennia. On the recommendation of the Executive Director, in October 2002 the Executive Board approved the change in the accounting policy to the accrual basis, and the establishment of the PSA Equalization Account.
  18. The balances of receivable and fund accounts were restated on 1 January 2002, when the accrual method of the income-recognition policy was adopted. One of the effects of these restatements was the conversion of receivables to ISC income totalling US\$122.8 million in the beginning of 2002, thereby creating a surplus in the PSA equalization account as at 31 December 2002 of US\$233 million. The Executive Director therefore proposes that the Executive Board approve the transfer of US\$86.4 million, the PSA shortfalls of the past three biennia, back to the General Fund from the PSA Equalization Account.
  19. The PSA Equalization Account is estimated to show a positive balance of about US\$66.1 million at the end of 2003, consisting of the surplus from previous years of US\$36.4 million—US\$122.8 million less US\$86.4 million—and the estimated surplus of the current biennium of US\$29.7 million. The Executive Director proposes that this balance be used to meet the exchange rate variance of the staff costs in 2004–2005, estimated at US\$41 million. Further details are provided in Section III. The positive PSA equalization account, after the proposed adjustment, would be US\$25.1 million.
  20. The un-earmarked surplus of the General Fund at the end of 2003 is expected to be US\$119.1 million, consisting of the US\$86.4 million reimbursement from the PSA Equalization Account and an estimated income of US\$32.7 million in the current biennium. The Executive Director proposes that part of this fund be earmarked for addition to the DSC Advance Facility of US\$35 million from the current level of US\$25 million to US\$60 million and capital expenditures and capacity-building project costs of \$29 million and US\$10 million for security upgrades in WFP offices in 2004–2005; further details are provided in Section III. Proposals for the use of the remaining General Fund balance of US\$45 million will be presented to the Executive Board at its Annual Session in May 2004.
  21. Table A.1 in Annex II details the utilization of resources available in 2002–2003 and estimated balances to be carried over into 2004–2005. The opening balance of 2002–2003, recorded as reserves and fund balances at the end of the 2000–2001 biennium, was US\$1.647 billion, compared with an estimated balance of US\$1.296 billion to be carried forward into 2004–2005. Table A.2 shows the projected balance sheet as at 31 December 2003, and Table A.3 details the utilization of resources in 2004–2005.

## **RESOURCE REQUIREMENTS FOR THE 2004–2005 BIENNIUM**

22. The budget for the 2004–2005 biennium is estimated at US\$4.784 billion, an increase of US\$380 million over the revised 2002–2003 budget of US\$4.404 billion. This amount is expected to fund delivery of 8.97 million mt of food and related support costs, as compared with estimated deliveries of 8.72 million mt of food in 2002–2003.
23. Table 2 shows resource requirements and utilization for 2004–2005 by programme and cost category.



TABLE 2: RESOURCES REQUIRED AND UTILIZATION, 2004–2005

	General Fund/other	Development	EMOP	PRRO	SO	Bilateral/other	Total
	(US\$ million)						
<b>CONTRIBUTIONS AND INCOME</b>							
Commodity contributions		336	657	961			1 954
Cash contributions		304	836	1 421	30	122	2 713
Total contributions							4 667
Interest and miscellaneous income	96						96
Trust Funds						21	21
<b>TOTAL</b>	<b>96</b>	<b>640</b>	<b>1 493</b>	<b>2 382</b>	<b>30</b>	<b>143</b>	<b>4 784</b>
<b>EXPENDITURES</b>							
<b>DOC</b>							
Food in kind		196	403	586			1 185
Food purchases		140	254	375			769
<b>Subtotal</b>		<b>336</b>	<b>657</b>	<b>961</b>			<b>1 954</b>
Ocean transport		109	219	377			705
LTSH		78	357	629			1 064
ODOC		16	24	38	25	75	178
<b>TOTAL DOC</b>		<b>539</b>	<b>1 257</b>	<b>2 005</b>	<b>25</b>	<b>75</b>	<b>3 901</b>
<b>Support costs</b>							
DSC		59	138	221	3	40	461
PSA		42	98	156	2	7	305
<b>TOTAL SUPPORT COSTS</b>		<b>101</b>	<b>236</b>	<b>377</b>	<b>5</b>	<b>47</b>	<b>766</b>
Trust funds						21	21
Special Accounts/General Fund	96						96
<b>TOTAL</b>	<b>96</b>	<b>640</b>	<b>1 493</b>	<b>2 382</b>	<b>30</b>	<b>143</b>	<b>4 784</b>
<i>Volume (thousand mt)</i>		1 420	3 190	4 357			8 967

24. Tables 3 and 4 compare the projected budget with the previous and current biennia, based on tonnage volume and value of operations.



<b>TABLE 3: VOLUME OF OPERATIONS, BY PROGRAMME CATEGORY</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(thousand mt)</b>		
Development	1 133	1 148	1 420
EMOP	4 136	5 808	3 190
PRRO	1 762	1 760	4 357
<b>TOTAL</b>	<b>7 031</b>	<b>8 716</b>	<b>8 967</b>

<b>TABLE 4: TOTAL EXPENDITURES, BY PROGRAMME CATEGORY</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ million)</b>		
Development	446	461	640
EMOP	1 696	2 650	1 493
PRRO	810	932	2 382
SO	69	81	30
Bilateral/others	163	216	223
<b>Special Accounts/General Fund</b>	<b>6</b>	<b>64</b>	<b>16</b>
<b>TOTAL</b>	<b>3 190</b>	<b>4 404</b>	<b>4 784</b>

25. Table 5 employs the harmonized format used by other United Nations agencies to show projections for 2004–2005 compared with 2002–2003 by cost category and appropriation line. Further details of changes are provided in Table 6.



**TABLE 5: TOTAL BUDGET, BY COST CATEGORY AND APPROPRIATION LINE,  
2002–2003 AND 2004–2005 (US\$ thousand)**

			Changes			
	2002–2003 estimates	% of total	Volume inc/(Dec.)	Cost inc/(Dec.)	2004–2005 projected	% of total
<b>1. DOC</b>						
Food	1 877 679	43	76 678	(241)	1 954 116	41
Ocean transport	476 786	11	84 641	144 042	705 469	15
LTSH	982 375	22	72 731	7 795	1 062 901	22
ODOC	293 921	7	(116 444)	895	178 372	4
<b>Subtotal</b>	<b>3 630 761</b>	<b>82</b>	<b>117 606</b>	<b>152 491</b>	<b>3 900 858</b>	<b>82</b>
<b>2. Support costs</b>						
DSC	443 237	10	17 857		461 094	10
PSA	231 000	5	74 337	*	305 337	6
<b>Subtotal</b>	<b>674 237</b>	<b>15</b>	<b>92 194</b>		<b>766 431</b>	<b>16</b>
Other support costs	35 000	1	66 000		101 000	2
<b>Total support costs</b>	<b>709 237</b>	<b>16</b>	<b>158 194</b>		<b>867 431</b>	<b>18</b>
<b>3. Special Account/General Fund</b>	64 000	2.0	(48 000)		16 000	0.0
<b>TOTAL</b>	<b>4 403 998</b>	<b>100</b>	<b>227 800</b>	<b>152 491</b>	<b>4 784 289</b>	<b>100</b>
<b>PSA</b>						
Programme support: reg. and country offices <sup>a</sup>	88 943	38.5	14 213		103 156	33.8
Programme support: Headquarters <sup>b</sup>	19 331	8.4	9 096		28 427	9.3
Management and Administration <sup>c</sup>	122 726	53.1	51 028		173 754	56.9
<b>TOTAL</b>	<b>231 000</b>	<b>100</b>	<b>74 337</b>		<b>305 337</b>	<b>100</b>

\* 2004–2005 PSA budget proposal is based on 2002–2003 standard staff rates; no staff costs increase has been built in the proposal. See Annex IV.

<sup>a</sup> Includes regional bureaux and country offices.

<sup>b</sup> Includes Office of the Associate Director of Operations (ODO), Food Procurement Service (ODF), Programming Service (ODP) and Transport Division (OTP).

<sup>c</sup> Includes Office of the Executive Director (OED), Policy and External Affairs Department (PED), Fundraising and Communications Department (FCD) and Administration Department (AD).



26. The following table provides details of budget changes by cost component between 2004–2005 proposed and 2002–2003 estimated budgets:

<b>TABLE 6: DETAILS OF BUDGET CHANGES IN TABLE 5</b>		
	<b>Budget change (US\$ million)</b>	
Food—3-percent increase in mt (cost per mt increase for DEV/PRRO offset by decrease for EMOPs)	76	
Ocean Transport—Large increase in ocean transport rates all prog. categories, combined with increase in mt and major shift from EMOPs to PRROs	229	
LTSH—Decrease in cost per mt DEV/EMOP, with similar increase in cost per mt for PRROs, combined with shift to PRROs and increase in mt	80	
ODOC reduced requirements for special operations, and bilaterals/others	-115	
<b>Direct operational costs</b>		<b>270</b>
<b>Direct support cost on increased operations</b>		<b>18</b>
<b>Increase in PSA</b>		<b>74</b>
Of which:		
<b>Programme support: country office and regional bureau</b>		
Regional bureau: regularization of posts/capacity-building	7	
Country office: capacity-building, increase in cost, increase in local operating cost from US\$55,000 to US\$110,000 per year	7	
<b>Programme support: HQ</b>		
Mostly regularization of posts	9	
<b>Management and Administration:</b>		
Capacity-Building/regularization of posts	51	
Trust funds and others		<b>17</b>
<b>Subtotal capacity PSA/other</b>		<b>91</b>
Security upgrades		10
Exchange rate variance for staff costs and benefits		41
Special Accounts/General Fund/other		-50
<b>Net change</b>		<b>380</b>

## **DIRECT OPERATIONAL COSTS**

27. Table 7 shows projected resource requirements for DOC by cost component for 2003–2004, compared with the 2000–2001 actual and 2002–2003 estimated levels.



<b>TABLE 7: OPERATIONAL COSTS BY COST COMPONENT</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ million)</b>		
Food	1 513	1 878	1 954
Ocean transport	442	477	705
LTSH	515	982	1 064
ODOC	119	294	178
<b>TOTAL</b>	<b>2 589</b>	<b>3 631</b>	<b>3 901</b>

28. Additional details of DOC by programme category and region are given in Section II.

## **SUPPORT COSTS**

29. Support costs consist of DSC and ISC, constituting the programme delivery, support and administrative budget to run WFP operations and programmes. The support budget, based on requirements for operating at a level of 8.97 million tons, is US\$867 million. This is broken down as:

- ◇ US\$461 million is DSC;
- ◇ US\$305 million is PSA;
- ◇ US\$39 million is for non-recurring expenditure to increase capacity and upgrade security;
- ◇ US\$21 million is from trust funds, mainly for capacity building; and
- ◇ US\$41 million is for exchange rate variance.

30. Issues related to reclassification of support costs are covered in Section III.

## **Direct Support Costs**

31. DSC are variable or incremental costs for a country office to support operational activities for development or relief. Of the US\$461 million DSC budget, US\$15 million will go to assessment for security under UNSECOORD. Further details are given in Section III.

32. Table 8 shows projected DSC for 2004–2005 by programme category, compared with 2000–2001 actual costs and 2002–2003 estimates.





<b>TABLE 8: DSC, BY PROGRAMME CATEGORY</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ thousand)</b>		
Development	40 535	36 336	59 345
EMOP	149 551	245 231	138 541
PRRO	99 912	98 172	221 071
SO	14 900	7 015	2 767
Bilateral, JPOs and others	65 713	56 484	39 369
<b>TOTAL</b>	<b>370 611</b>	<b>443 247</b>	<b>461 094</b>

33. The Secretariat requests the Executive Board to authorize the Executive Director to set aside US\$60 million from the un-earmarked surplus of the General Fund for the DSC advance Facility in 2004–2005. The Board authorized advances of DSC up to US\$25 million against this facility in 2002–2003.
34. Details of the proposed DSC budget and the DSC Advance Facility are provided in Section III.

### **Indirect Support Costs**

35. ISC are the main source of funds for the PSA budget. In 2004–2005, PSA will fund a standard country office structure, regional offices and Headquarters support costs.
36. In line with the initiative to harmonize budgets, the PSA budget conforms with the three components of the United Nations support budget:
- ◇ programme support: regional and country offices;
  - ◇ management and administration.
  - ◇ programme support: Headquarters; and
37. Table 9 summarizes the PSA budget by these categories.

<b>TABLE 9: PSA COSTS, BY APPROPRIATION LINE</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ thousand)</b>		
Programme support: regional and country offices	85 241	88 943	103 156
Programme support: Headquarters	29 848	19 331	28 427
Management and administration	114 677	122 726	173 754
<b>TOTAL</b>	<b>229 766*</b>	<b>231 000</b>	<b>305 337</b>

\* Excludes US\$6.3 million expenditures under FMIP special accounts.



38. The ISC rate to generate the resources to fund PSA will remain 7 percent.

### PSA Equalization Account and the General Fund

39. The PSA Equalization Account is expected to show a positive balance of about US\$66.1 million at the end of 2003–2004, consisting of the surplus from previous years of US\$36.4 million (US\$122.8 million less US\$86.4 million) and the estimated surplus of the current biennium US\$29.7 million. The Executive Director proposes that this balance be used to meet the Exchange rate variance of the staff costs in the biennium 2004–2005, estimated at US\$41 million. Further details are provided in Annex IV. Table 10 provides the status of the General Fund and the PSA Equalization Account after the proposed transfer.

<b>TABLE 10: FUND BALANCE WORKSHEET</b>		
	<b>General Fund</b>	<b>PSA Equalization</b>
<b>31 Dec. 2001 Closing balance—cash basis</b>	<b>57.1</b>	<b>-34.4</b>
Executive Board approval—PSA	-34.4	34.4
Executive Board approval—Reprogramming	-20.3	
Executive Board approval—DSC Advance Facility	-11.5	0.0
<b>1 Jan. 2002 net balance</b>	<b>-9.1</b>	<b>0.0</b>
<b>1 Jan. 2002 accrual adjustment (gross)</b>	<b>3.3</b>	<b>122.8</b>
Income 2002	17.4	110.2
Estimated income 2003	12.0	150.5
Estimated biennial expenditures		-231.0
<b>31 Dec. 2003 total estimated balance</b>	<b>32.7</b>	<b>152.5</b>
Proposed transfer	86.4	-86.4
Proposed utilization:		
– DSC Advance Facility enhancement	-35.0	
– Capital and capacity-building	-29.0	
– Security upgrades	-10.0	
– Exchange rate variance on staff costs		-41.1
<b>31 Dec. 2003 net estimated balance</b>	<b>45.1</b>	<b>25.1</b>

### CAPITAL ASSET FUND

40. The Executive Director proposes that a part of the surplus in the General Fund be earmarked for capital expenditures and capacity-building project costs in the amount of US\$29 million in 2004–2005. Further details are provided in Section III.

### SECURITY UPGRADES

41. The Executive Director proposes that a security upgrade contingency fund of US\$10 million from the remaining surplus in the General Fund be set aside to begin addressing the security needs of the organization worldwide. Further details are provided in Section III.



## SECTION II: 2004–2005 OPERATIONAL BUDGET

### OVERVIEW

42. In global terms, WFP expects to have food-aid-assistance programmes and technical-assistance activities in 77 countries in 2004–2005. Resource requirement to meet the needs of approved programmes and the related logical extensions is estimated at US\$3.901 billion in values terms and at 8.967 million mt in volume terms; of US\$3.901 billion of total operational budget US\$3.135 billion, or 6.818 million mt, is for approved programmes (through the Third Regular Session, 2003) by either the Executive Board or by the FAO Director-General and the WFP Executive Director under his delegated authority. US\$0.8 billion, or 2.1 million mt, is for the foreseen logical extensions. Table 12 gives details on the approved programmes by category and region; Table 13 provides the same details for the logical extensions and Table 14 shows WFP's total budget proposal, made up of the approved programmes plus the extensions. It should be noted that WFP has not budgeted for any new major emergencies, as these will be dealt with as increases to the budget as they arise.

#### COMPOSITION OF THE OPERATIONAL VOLUME, 2004–2005

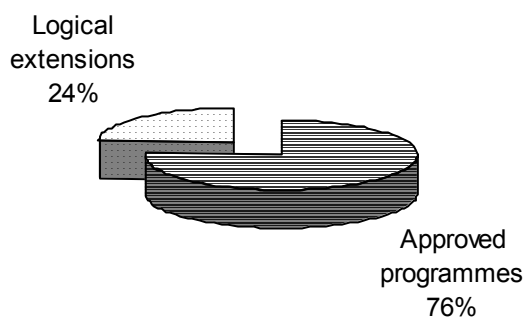


TABLE 11: NUMBER OF PROJECTS, BY REGION AND PROGRAMME CATEGORY, 2004–2005								
	ODB	ODC	ODD	ODDY	ODJ	ODK	ODPC	TOTAL
<b>Number of projects for approved programmes</b>								
Development	32	10	29	11	21	29	19	<b>151</b>
EMOP	–	6	3	4	9	8	–	<b>30</b>
PRRO	14	21	8	1	10	24	13	<b>91</b>
Special operations	2	–	5	–	2	6	–	<b>15</b>
Bilaterals	8	–	2	–	–	–	–	<b>10</b>
<b>Total approved programmes</b>	<b>56</b>	<b>37</b>	<b>47</b>	<b>16</b>	<b>42</b>	<b>67</b>	<b>32</b>	<b>297</b>
<b>Number of projects under logical extensions</b>								
Development	–	5	12	3	5	1	4	<b>30</b>
EMOP	2	–	1	1	1	2	–	<b>7</b>
PRRO	9	3	5	1	8	4	1	<b>31</b>
Special operations	–	–	–	–	–	–	–	<b>–</b>
Bilaterals	–	–	–	–	–	–	–	<b>–</b>
<b>Total projects for logical extensions</b>	<b>11</b>	<b>8</b>	<b>18</b>	<b>5</b>	<b>14</b>	<b>7</b>	<b>5</b>	<b>68</b>
<b>Total no. of projects</b>	<b>67</b>	<b>45</b>	<b>65</b>	<b>21</b>	<b>56</b>	<b>74</b>	<b>37</b>	<b>365</b>

43. Beneficiaries are estimated at 80 million for 2004 and at 85 million for 2005. In partnership with host governments, UNHCR, other United Nations agencies and NGOs, WFP will continue to assess and meet the critical food aid needs of people who have been uprooted from their homes and forced to take refuge in other countries, or in safer areas in their own countries. WFP will also provide food aid when necessary to assist in people's resettlement once the situation returns to normal. Based on current caseloads and recent trends, it is foreseen that about 2.5 to 3.5 million refugees, 6 to 7 million IDPs, and 3 to 4 million returnees, averaging about 13 million people in these three categories, will be assisted each year of the biennium.

## APPROVED PROGRAMMES

44. Table 12 gives details of the approved programmes amounting US\$3.135 billion, by region and category.



<b>TABLE 12: APPROVED PROGRAMME COSTS, BY REGION AND PROGRAMME CATEGORY, 2004–2005</b>								
	<b>ODB</b>	<b>ODC</b>	<b>ODD</b>	<b>ODDY</b>	<b>ODJ</b>	<b>ODK</b>	<b>ODPC</b>	<b>TOTAL</b>
<b>Volume of operations (in thousand tons)</b>								
Development	584	119	102	43	120	283	170	<b>1 421</b>
EMOP	-	299	196	59	461	788	-	<b>1 803</b>
PRRO	257	954	165	4	542	1 529	143	<b>3 594</b>
<b>TOTAL</b>	<b>841</b>	<b>1 372</b>	<b>463</b>	<b>106</b>	<b>1 123</b>	<b>2 600</b>	<b>313</b>	<b>6 818</b>
<b>Value of operations (US\$ million)</b>								
Development	172	50	51	21	62	114	68	<b>538</b>
EMOP	0	101	90	35	208	396	-	<b>830</b>
PRRO	77	391	101	3	302	717	75	<b>1 666</b>
Special operations	3	-	7	-	9	7	-	<b>26</b>
Bilaterals	73	-	2	-	-	-	-	<b>75</b>
<b>TOTAL</b>	<b>325</b>	<b>542</b>	<b>251</b>	<b>59</b>	<b>581</b>	<b>1 234</b>	<b>143</b>	<b>3 135</b>

45. Details of the approved programmes show that the following countries will have significant activities within that region.

ODB	Bangladesh, China, India, Indonesia
ODC	Afghanistan, Gaza/West Bank, Pakistan, Tajikistan
ODD	Côte d'Ivoire, Liberia, Sahel area, Sierra Leone
ODDY	Cameroon, Chad
ODJ	Angola, Malawi, Zimbabwe
ODK	Eritrea, Ethiopia, Sudan, Uganda
ODPC	Bolivia, Guatemala

## LOGICAL EXTENSIONS

46. Logical extensions amount to 2.1 million mt, valued at US\$766 million. Breakdown by region and programme category is provided in Table 13.



<b>TABLE 13: LOGICAL EXTENSION COSTS, BY REGION AND PROGRAMME CATEGORY, 2004–2005</b>								
	<b>ODB</b>	<b>ODC</b>	<b>ODD</b>	<b>ODDY</b>	<b>ODJ</b>	<b>ODK</b>	<b>ODPC</b>	<b>TOTAL</b>
<b>Volume of operations (thousand tons)</b>								
EMOP	1203	0	12	0.5	1.6	168	-	<b>1385</b>
PRRO	68	46	77	4	447	116	4.5	<b>763</b>
<b>TOTAL</b>	<b>1 271</b>	<b>46</b>	<b>89</b>	<b>4.5</b>	<b>448.6</b>	<b>284</b>	<b>4.5</b>	<b>2 148</b>
<b>Value of operations (US\$ million)</b>								
EMOP	352		5	0.3	0.7	68	-	<b>426</b>
PRRO	25	18	36	2.7	199	58	1.6	<b>340</b>
<b>TOTAL</b>	<b>377</b>	<b>18</b>	<b>41</b>	<b>3</b>	<b>199.7</b>	<b>126</b>	<b>1.6</b>	<b>766</b>

47. Other details on logical extensions show the following:

- ◇ The largest logical extensions in terms of tons of food will take place in ODB region, followed by ODJ and ODK; this is due to foreseen activities in these regions relating to the first two strategic priorities: Save lives in crisis situations, and Protect livelihoods in crisis situations and enhance resilience to shocks.

48. Details of the logical extensions show that the following countries will have significant activities within that region.

ODB	DPRK, Nepal, Sri Lanka
ODC	Algeria
ODD	Guinea, Guinea-Bissau, Liberia
ODDY	Central African Republic
ODJ	Mozambique, Zambia, Zimbabwe
ODK	Democratic Republic of the Congo, Eritrea, Kenya
ODPC	Guatemala

## **TOTAL OPERATIONAL BUDGET PROPOSAL, 2004–2005**

49. The budget proposal of US\$3.901 billion covers needs as identified above and addresses the weakness “Difficulties in assuring funding for country programmes hampers full achievement of their objectives”. Further details for this budget proposal are presented in the following sections.



**TABLE 14: DIRECT OPERATIONAL COSTS, BY REGION AND PROGRAMME CATEGORY, 2004–2005**

	ODB	ODC	ODD	ODDY	ODJ	ODK	ODPC	TOTAL
<b>Volume of operations (in thousand tons)</b>								
Development	584	119	102	43	120	283	170	<b>1 420</b>
EMOP	1 204	299	208	60	463	956	-	<b>3 190</b>
PRRO	326	1 000	242	8	989	1 645	148	<b>4 357</b>
<b>TOTAL</b>	<b>2 113</b>	<b>1 418</b>	<b>552</b>	<b>112</b>	<b>1 572</b>	<b>2 884</b>	<b>317</b>	<b>8 967</b>
<b>Value of operations (US\$ million)</b>								
Development	172	50	51	21	62	114	68	<b>538</b>
EMOP	352	101	96	35	209	464	-	<b>1 257</b>
PRRO	101	409	137	5	501	775	77	<b>2 005</b>
Special Operations	3	-	7	-	9	7	-	<b>25</b>
Bilaterals	73	-	2	-	-	-	-	<b>75</b>
<b>TOTAL</b>	<b>702</b>	<b>560</b>	<b>292</b>	<b>62</b>	<b>781</b>	<b>1 360</b>	<b>145</b>	<b>3 901</b>

50. Details of all operations show that the following countries will have significant activities within that region.

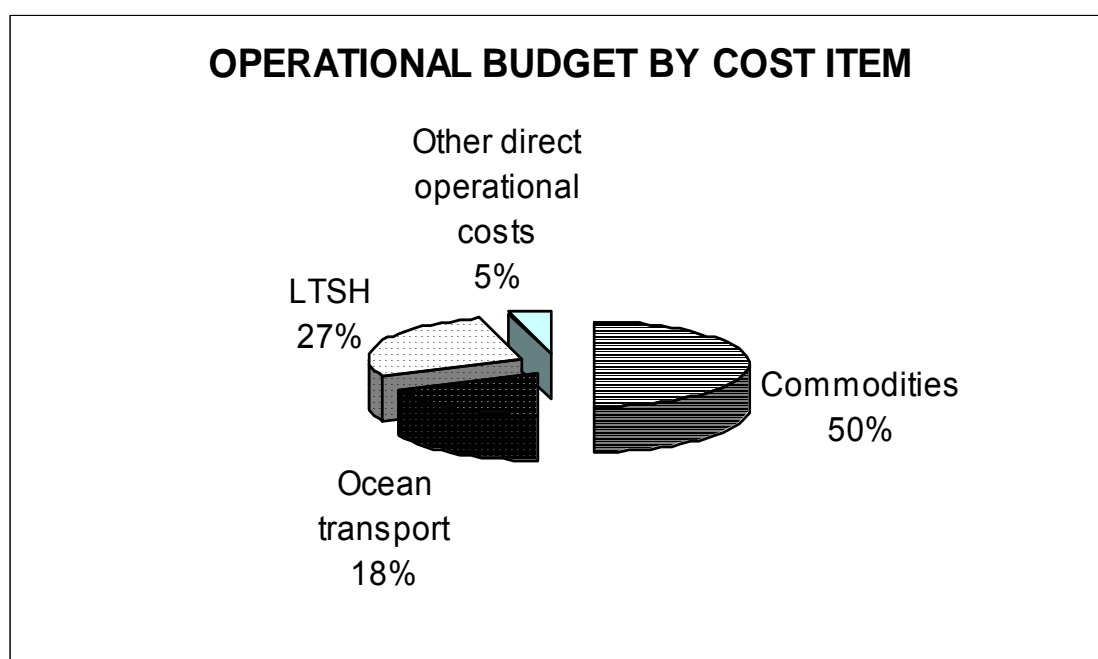
ODB	Bangladesh, China, DPRK, India, Indonesia
ODC	Afghanistan, Algeria, Gaza, Pakistan, Tajikistan
ODD	Côte d'Ivoire, Guinea, Liberia, Sahel area, Sierra Leone
ODDY	Cameroon, Chad
ODJ	Angola, Malawi, Mozambique, Zambia, Zimbabwe
ODK	Democratic Republic of the Congo, Eritrea, Ethiopia, Sudan, Uganda, United Republic of Tanzania
ODPC	Bolivia, Guatemala, Haiti, Nicaragua



51. The operation budget of US\$3.901 billion will meet the following direct operational costs, by programme category:

TABLE 15: TOTAL PROJECTED RESOURCES AND THEIR UTILIZATION, 2004–2005						
	Development	EMOP	PRRO	SOs	Bilaterals and others	TOTAL
	(US\$ million)					
<b>EXPENDITURES</b>						
<b>Direct operational costs</b>						
Food in kind	196	403	586			<b>1 185</b>
Food purchases	140	254	375			<b>769</b>
<b>Total food</b>	<b>336</b>	<b>657</b>	<b>961</b>			<b>1 954</b>
Ocean transport	109	219	377			<b>705</b>
LTSH	78	357	629			<b>1 064</b>
Other DOC	16	24	38	25	75	<b>178</b>
<b>TOTAL DIRECT OPERATIONAL COSTS</b>	<b>539</b>	<b>1 257</b>	<b>2 005</b>	<b>25</b>	<b>75</b>	<b>3 901</b>
<i>Volume (in thousand tons)</i>	<i>1 420</i>	<i>3 190</i>	<i>4 357</i>			<b>8 967</b>

52. Of the US\$3.901 billion operational budget, 50 percent will be in commodities; the rest will be for their delivery.





**TABLE 16: DIRECT OPERATIONAL COSTS,  
BY PROGRAMME CATEGORY**

<b>Development projects</b>	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ million)</b>		
Food in kind	163	152	196
Food purchases	117	109	140
<b>Subtotal</b>	<b>280</b>	<b>261</b>	<b>336</b>
<b>Other costs</b>			
Ocean transport	63	55	109
LTSH	24	65	78
Other direct operational costs	11	12	16
<b>Subtotal</b>	<b>98</b>	<b>132</b>	<b>203</b>
<b>TOTAL</b>	<b>378</b>	<b>393</b>	<b>539</b>
<i>Volume (in thousand tons)</i>	<i>1 133</i>	<i>1 148</i>	<i>1 420</i>
<b>Emergency operations (EMOPs)</b>	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ million)</b>		
Food in kind	526	755	403
Food purchases	331	475	254
<b>Subtotal</b>	<b>857</b>	<b>1 230</b>	<b>657</b>
<b>Other costs</b>			
Ocean transport	250	286	219
LTSH	312	673	357
Other direct operational costs	23	52	24
<b>Subtotal</b>	<b>585</b>	<b>1 011</b>	<b>600</b>
<b>TOTAL</b>	<b>1 442</b>	<b>2 241</b>	<b>1 257</b>
<i>Volume (in thousand tons)</i>	<i>4 136</i>	<i>5 808</i>	<i>3 190</i>
<b>Protracted relief and recovery operations (PRROs)</b>	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ million)</b>		
Food in kind	219	235	586
Food purchases	140	151	375
<b>Subtotal</b>	<b>359</b>	<b>386</b>	<b>961</b>
<b>Other costs</b>			
Ocean transport	126	136	377
LTSH	172	245	629
Other direct operational costs	7	10	38
<b>Subtotal</b>	<b>305</b>	<b>391</b>	<b>1 044</b>
<b>TOTAL</b>	<b>664</b>	<b>777</b>	<b>2 005</b>
<i>Volume (in thousand tons)</i>	<i>1 090</i>	<i>1 760</i>	<i>4 357</i>



53. Major highlights of the above table are:

- ◇ **Development:** There is a 37-percent increase in value terms and 24-percent increase in volume over the 2002–2003 estimates; there is a 43-percent increase in value and 25-percent increase in volume over the 2000–2001 actual levels; of the 2004–2005 DOC, 63 percent will be for food, 20 percent for transport, 14 percent for LTSH and the rest for ODOC. The proposed level for 2004–2005 consists of approved programmes but does not include amounts for supplementary activities. The budget for development addresses the weakness “Difficulties in assuring funding for country programmes hampers full achievement of their objectives”.
- ◇ **EMOP:** There is a 44-percent decrease in value terms and a 45-percent decrease in volume over the 2002–2003 estimates; there is a 13-percent decrease in value and 23-percent increase in volume over the 2000–2001 actual levels; of the 2004–2005 DOC, 52 percent will be for food, 17-percent for transport, 28 percent for LTSH and the rest for ODOC.
- ◇ **PRRO:** There is a 158-percent increase in value terms and 148-percent increase in volume over the 2002–2003 estimates; there is a 202-percent increase in value and 300-percent increase in volume over the 2000–2001 actual levels; of the 2004–2005 DOC, 48 percent will be for food, 19 percent for transport, 31 percent for LTSH and the rest for ODOC. The high increase in the PRRO category is explained by the fact that over the last two biennia there has been exceptionally high levels of EMOP activity with several large scale emergency interventions. Many of these are now entering a protracted phase; some times of recovery but all too frequently of continuing relief. Furthermore, new PRRO operations are anticipated in some countries as this category of operations is often the appropriate mechanism to deal with protracted HIV/AIDS crisis.

54. Operational activities will be geared to achieving results for each of the following strategic priorities:

<i>SP1</i>	<i>Save lives in crisis situations.</i>
<i>SP2</i>	<i>Protect livelihoods in crisis situations and enhance resilience to shocks.</i>
<i>SP3</i>	<i>Support improved nutrition and health status of children, mothers and other vulnerable people.</i>
<i>SP4</i>	<i>Support access to education and reduce gender disparity in access to education and skills training.</i>
<i>SP5</i>	<i>Help governments establish and manage national food-assistance programmes.</i>

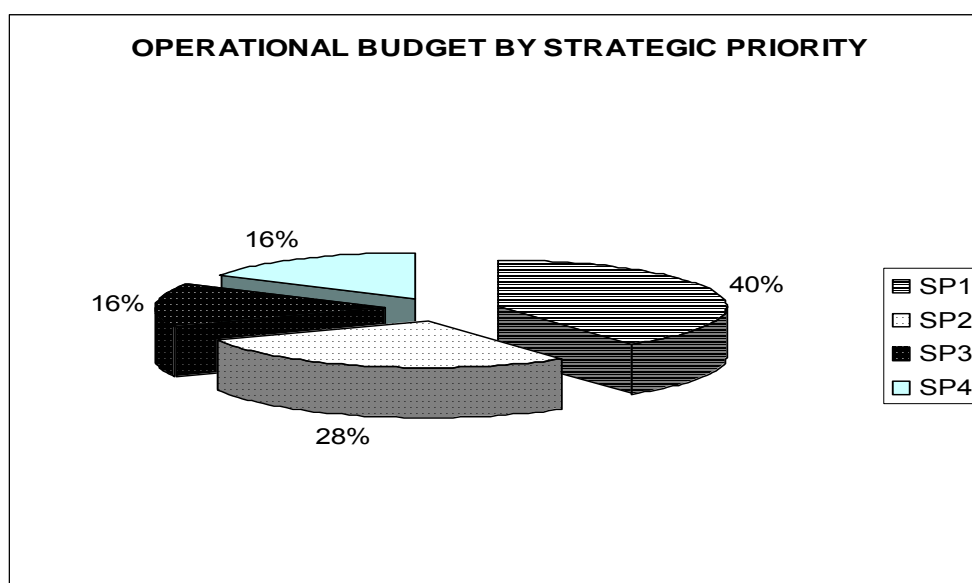
55. In preparing the operational budget, all countries analysed and linked their projects to the relevant strategic priority. Table 17 shows this linkage by programme category. Further details on the operational budget, by strategic priority, results and performance indicators, are given in the following sections.



TABLE 17: OPERATIONAL BUDGET BY STRATEGIC PRIORITY								
	SP1		SP2		SP3		SP4	
	Volume (mt)	(US\$ million)	Volume (mt)	(US\$ million)	Volume (mt)	(US\$ million)	Volume (mt)	(US\$ million)
Development			429 145	163	382 569	145	608 505	231
EMOP	1 872 542	738	554 735	219	567 260	224	194 528	77
PRRO	1 716 392	790	1 567 435	721	467 590	215	605 760	279
Other	20 147	26	30 715	17	40 295	28	53 726	29
<b>TOTAL</b>	<b>3 609 081</b>	<b>1 554</b>	<b>2 582 015</b>	<b>1 120</b>	<b>1 457 714</b>	<b>612</b>	<b>1 462 519</b>	<b>616</b>

Note: SP5 is a new priority; it was not in the ZBB.

56. SP5 is a new category and has therefore not been budgeted separately from the other four strategic priorities. As new initiatives are developed and identified they will be funded separately, beginning in 2004.



57. Country Directors will be held responsible for results for strategic priorities in their countries.



# SP1: SAVE LIVES IN CRISIS SITUATIONS

## KEY ACTIVITIES AND RESOURCE REQUIREMENTS

58. The main activities of this intervention are:
- ⇒ general food distribution in acute crises; and
  - ⇒ supplementary and therapeutic feeding to targeted vulnerable people.

Programme category	Volume (mt)	Percentage of total tons	Value (US\$ million)
EMOP	1 872 542	52	738
PRRO	1 716 392	47	790
Other	20 147	1	26
<b>TOTAL</b>	<b>3 609 081</b>	<b>100</b>	<b>1 554</b>
Percentage of total operational budget			40

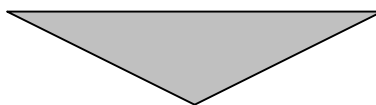
59. Significant activities are foreseen in the following countries: Afghanistan, DPRK, the Democratic Republic of the Congo, Eritrea, Ethiopia, Kenya, Liberia, Pakistan, Sudan, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

Outputs	Output indicator	Outcomes	Outcome indicator
1.1 Increased access to food for highly food insecure populations in conflict- and disaster-affected areas where WFP has operations	<b>Indicator 1.1.1</b> Quantity of food distributed (by project category)	1.2 Reduced and/or stabilized prevalence of acute malnutrition among beneficiaries	<b>Indicator 1.2.1</b> Prevalence of <i>acute</i> malnutrition among under-5s (by gender) (assessed using weight for height)
	<b>Indicator 1.1.2</b> Number of beneficiaries receiving WFP food assistance (by project category, age group, gender)	1.3 Reduced and/or stabilized crude mortality among beneficiaries	<b>Indicator 1.3.1</b> *Percentage crude mortality rate

Source: 2004–2007 Strategic Plan performance results matrix.



## SP2: PROTECT LIVELIHOODS IN CRISIS SITUATIONS AND ENHANCE RESILIENCE TO SHOCKS



### KEY ACTIVITIES AND RESOURCE REQUIREMENTS

60. The main activities of this intervention are:

- ⇒ food distribution, including through food for work, to preserve essential assets during crises and to support recovery from crisis;
- ⇒ food to encourage school attendance in spite of crises; and
- ⇒ food to develop physical assets or human capital to reduce vulnerability;
- ⇒ food as a component of national safety-net programmes.

TABLE 20: RESOURCE REQUIREMENTS			
Programme category	Volume (mt)	Percentage of total tons	Value (US\$ million)
Development	429 151	17	163
EMOP	554 736	21	219
PRRO	1 567 435	61	721
Other	30 771	1	17
<b>TOTAL</b>	<b>2 582 093</b>	<b>100</b>	<b>1 120</b>
Percentage of total operational budget			28

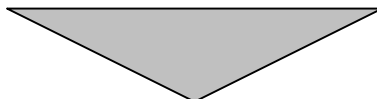
61. Significant activities are foreseen in the following countries: Afghanistan, Angola, DPRK, Ethiopia, Malawi, Mozambique, Nepal, Sudan, Zambia and Zimbabwe.

TABLE 21: EXPECTED RESULTS			
Output	Output indicator	Outcome	Outcome indicator
2.1 Targeted beneficiaries participate in food-supported asset-creation and income-generation activities	<b>Indicator 2.1.1</b> Number of beneficiaries participating in asset- and income-generating activities (by gender)	2.2 Increased ability to manage shocks and meet necessary food needs	<b>Indicator 2.2.1</b> Percentage share of household expenditure allocated to food by the target population

Source: Strategic Plan.



## SP3: SUPPORT IMPROVED NUTRITION AND HEALTH STATUS OF CHILDREN, MOTHERS AND OTHER VULNERABLE PEOPLE



### KEY ACTIVITIES AND RESOURCE REQUIREMENTS

62. The main activities of this intervention are:

- ⇒ nutrition programmes for pregnant and lactating women, children under 5, and adolescent girls;
- ⇒ nutrition measures in association with school feeding; and
- ⇒ micronutrient fortification;
- ⇒ support for the special nutritional needs of people living with HIV/AIDS.

TABLE 22: RESOURCE REQUIREMENTS

Programme category	Volume (mt)	Percentage of total tons	Value (US\$ million)
Development	382 569	26%	145
EMOP	567 260	39%	224
PRRO	467 590	32%	215
Other	40 295	3%	28
<b>TOTAL</b>	<b>1 457 714</b>	<b>100</b>	<b>612</b>
Percentage of total operational budget			16

63. Significant activities are foreseen in the following countries: Afghanistan, Bangladesh, DPRK, India and Southern Africa.

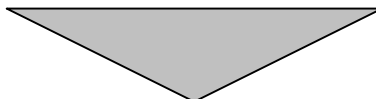


TABLE 23: EXPECTED RESULTS			
Output	Output indicator	Outcome	Outcome indicator
<b>3.1</b> Increased participation of target populations in food-supported nutrition interventions	<b>Indicator 3.1.1</b> Number of children reached through food-supported nutrition interventions	<b>3.3</b> Improved nutritional and health status of beneficiaries: <b>3.3.1</b> Reduced level of child malnutrition	<b>Indicator 3.3.1</b> Prevalence of under-5 malnutrition (assessed using height, weight and age, by gender)
	<b>Indicator 3.1.2</b> Number of vulnerable women reached through food-supported nutrition interventions	<b>3.3.2</b> Reduced level of malnutrition among women	<b>Indicator 3.3.2</b> Prevalence of malnutrition among adult women (assessed using Body Mass Index and/or low birth weight)
	<b>Indicator 3.1.3</b> Percentage share of micronutrient-fortified food delivered through WFP-supported nutrition interventions	<b>3.3.3</b> Reduced level of anaemia among pregnant and lactating women and targeted children	<b>Indicator 3.3.3</b> Prevalence of anaemia among targeted beneficiaries
<b>3.2</b> Increased participation in food aid activities by targeted populations in HIV/AIDS-endemic and food-insecure districts/regions	<b>Indicator 3.2.1</b> Percentage HIV/AIDS-endemic, food-insecure districts receiving food-supported interventions	<b>3.4</b> Reduced impacts of HIV/AIDS on food security among vulnerable populations	<b>Indicator 3.4.1</b> To be determined.

Source: Strategic Plan.



## SP4: SUPPORT ACCESS TO EDUCATION AND REDUCE GENDER DISPARITY IN ACCESS TO EDUCATION AND SKILLS TRAINING



### KEY ACTIVITIES AND RESOURCE REQUIREMENTS

64. The main activities of this intervention are:

- ⇒ school feeding, to increase enrolment, including:
  - ◇ special measures to encourage girls' education; and
  - ◇ special measures to enable HIV/AIDS-affected children to attend school or gain out-of-school training/literacy; and
- ⇒ training/literacy for women and adolescent girls.

TABLE 24: RESOURCE REQUIREMENTS			
Programme category	Volume (mt)	Percentage of total tons	Value (US\$ million)
Development	608 505	42	231
EMOP	194 528	13	77
PRRO	605 760	41	279
Other	53 726	4	29
<b>TOTAL</b>	<b>1 462 519</b>	<b>100</b>	<b>616</b>
Percentage of the total operational budget			16

65. Significant activities are foreseen in the following countries: Afghanistan, Angola, Bangladesh, Burundi, Côte d'Ivoire, DPRK, Kenya, Mozambique, Sudan, Tajikistan, Uganda and Zimbabwe.



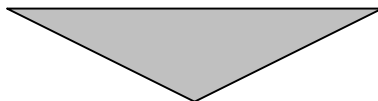


TABLE 25: EXPECTED RESULTS			
Output	Output indicator	Outcome	Outcome indicator
<b>4.1</b> Food provided to schoolchildren in WFP-assisted primary schools	<b>Indicator 4.1.1</b> Number of boys and girls receiving food aid in WFP-assisted primary schools	<b>4.3</b> Increased enrolment of boys and girls in WFP-assisted primary schools	<b>Indicator 4.3.1</b> Absolute enrolment. Number of boys and girls enrolled in WFP-assisted primary schools
			<b>Indicator 4.3.2</b> Net enrolment rate; percentage of school-age boys and girls enrolled in WFP-assisted primary schools
		<b>4.4</b> Improved attendance of boys and girls in WFP assisted primary schools	<b>Indicator 4.4.1</b> Attendance rate: Percentage of boys and girls in WFP-assisted primary schools attending classes at least 80 percent of the school year
		<b>4.5</b> Improved capacity of boys and girls in WFP-assisted primary schools, to concentrate and learn	<b>Indicator 4.5.1</b> Teacher's perception of children's ability to concentrate and learn in school as a result of school feeding
<b>4.2</b> Food provided as incentive to families to send girls to school	<b>Indicator 4.2.1</b> Number of girls receiving take-home rations	<b>4.6</b> Reduced gender disparity between boys and girls in WFP-assisted primary and secondary schools and skills training	<b>Indicator 4.6.1</b> Ratio of girls to boys enrolled in WFP-assisted primary schools

Source: Strategic Plan.



## SP5: HELP GOVERNMENTS ESTABLISH AND MANAGE NATIONAL FOOD-ASSISTANCE PROGRAMMES



### KEY ACTIVITIES AND RESOURCE REQUIREMENTS

66. The main activities of this intervention are:

- ⇒ exchange of information, national experience and best practices;
- ⇒ information, training, manuals and training materials; and
- ⇒ advice from WFP or in-country institutions with relevant expertise.

67. A paper covering resource requirements and funding mechanisms will be prepared for Executive Board decision.

TABLE 26: EXPECTED RESULTS AND PERFORMANCE INDICATORS	
Outputs	Outcomes
<b>5.1</b> Increased capacity of national governments to identify food needs, develop strategies and carry out food-based programmes	<b>5.3</b> Governments are able to plan and manage food-based programmes
<b>Indicator 5.1.1</b> Number of countries using WFP's technical services	<b>Indicator 5.3.1</b> To be determined.
<b>Indicator 5.1.2</b> Number of national government staff trained under WFP's technical assistance programmes	
<b>5.2</b> Increased dialogue with governments to identify potential areas for technical assistance and cooperation	
<b>Indicator 5.2.1</b> Number of technical services supported by WFP	



## SECTION III: 2004–2005 SUPPORT BUDGET

### FINANCIAL POLICY FRAMEWORK ISSUES

68. In considering the Final Report on the analysis of the indirect support cost (ISC) rate,<sup>2</sup> the Board,
- i. “instructed the Secretariat to review the reclassification of PSA expenditures that were variable in nature and that could be directly linked to an operation, to make the PSA more fixed in nature, and develop options for consideration in the context of framing the 2004-2005 budget; and
  - ii. “decided that the following matters ... should be examined:
    - ◇ country office PSA funding
    - ◇ collection, recording and accounting for government counterpart cash contributions (GCCC)
    - ◇ results-measurement framework for PSA funded activities
    - ◇ the use of interest income.”
69. In addressing the matter of making PSA costs more fixed in nature, the Secretariat first examined the Joint Inspection Unit (JIU) report on support costs,<sup>3</sup> which identified four basic types of support cost:
- i. fixed direct costs;
  - ii. variable direct costs;
  - iii. fixed indirect costs; and
  - iv. variable indirect costs.
70. WFP classifies these costs only into two categories—indirect and direct support costs—without distinguishing between fixed and variable.
71. WFP’s indirect support costs are predominantly fixed in nature; direct support costs are predominantly variable. Fixed support costs have therefore been budgeted under PSA while variable support costs have been budgeted under DSC.
72. This approach has involved:
- i. regularization of the funding source of some core activities such as evaluation, needs assessment, contingency planning and VAM that had previously been funded from variable funding sources; funding these activities through PSA aligns the fixed nature of the expenditure with the reasonably stable and predictable nature of the funding,

<sup>2</sup> decision 2002/EB.3/7.

<sup>3</sup> “Support Costs Related to Extrabudgetary Activities in Organizations of the United Nations System”.



- providing a solid funding base for these critical activities and guaranteeing their continuity; and
- ii. the contribution to UNSECOORD for security costs, which is dependent on the number of staff, has been classified as DSC.
73. In addressing the matter of country office PSA funding and to ensure that the PSA budget reflects fixed support costs, a standard country office structure has been budgeted as fixed costs, in line with past practices. This consists of:
- i. one international professional (country director);
  - ii. two national officers and three general staff, or the dollar equivalent; and
  - iii. local operating expenses of US\$110,000 per year.
74. With regard to the results-measurement framework for PSA, the methodology adopted for preparation of the current document, which has led to expected results and performance indicators for each division as outlined at the end of this section, reflects implementation of this aspect of the Board decision.
75. In considering the “Issues on Financial Policy Paper”<sup>4</sup> in May 2003, the Board endorsed the proposals on dealing with GCCC, including the proposal that “the Secretariat will develop additional procedures for the utilization of these contributions”.
76. The following treatment for these contributions is therefore proposed:
- i. For LDC, local contributions received will be retained in country offices as additional support resources for the country.
  - ii. For non-LDC, cash received from the government up to 50 percent of local staff and other costs funded from PSA will be treated as GCCC revenue of the General Fund; any excess will be retained in the country offices as additional support resources for the country.
  - iii. For other countries where WFP has no office or there is no support from PSA, cash received from the government will be retained locally to meet local expenditures.
77. With regard to the use of interest income, WFP’s efforts are focusing on improved utilization of cash through improvements in its business processes. This will ensure a lower level of cash balances with a consequent reduction in interest income. The current interest rate climate means the return on investments has declined considerably.
78. As a result of these two considerations, the interest generated on investments is predicted to decline. The Secretariat therefore proposes that the current policy that any use of interest income be approved by the Board should continue.

---

<sup>4</sup> WFP/EB.A/2003/6-A/1.



## OVERVIEW OF THE SUPPORT BUDGET

79. In accordance with the United Nations harmonization of budgets initiative, WFP's 2004–2005 budget shows support costs separately from operational costs. Although the other United Nations agencies prepare a single support budget, the unique WFP fund structure requires the budget to consolidate DSC and ISC (or PSA) in order to give a comparable picture.
80. The total support budget required to implement the operational level of **US\$3.901 billion**, or **8.967 million tons**, amounts to **US\$867.431 million**, or 18 percent of total costs, broken down as follows:

<b>TABLE 27: WFP SUPPORT BUDGET</b> (US\$ thousand)			
	2000–2001 actual	2002–2003 estimated	2004–2005 projected
	(thousand US\$)		
Programme support—regional and country offices	389 852	532 190	564 250
Programme support—Headquarters	29 848	19 331	28 427
<b>Subtotal programme support</b>	<b>419 700</b>	<b>551 521</b>	<b>592 677</b>
Management and administration	114 677	122 726	173 754
<b>Subtotal of the above</b>	<b>534 377</b>	<b>674 247</b>	<b>766 431</b>
CAF and other	60 000	35 000	50 000
Security upgrades			10 000
Exchange variance on staff costs			41 000
<b>Total support costs and other</b>	<b>594 377</b>	<b>709 247</b>	<b>867 431</b>
Special Accounts/General Fund	6 000	64 000	16 000
Support costs and Special Accounts/General Fund	600 377	773 247	883 431
<b>TOTAL COSTS</b>	<b>3 190 000</b>	<b>4 403 998</b>	<b>4 784 289</b>
Programme support as a percentage of total costs	13.0	12.5	12.4
Management and administration as a percentage of total costs	3.6	2.8	3.6
Programme support and management administration as a percentage of total costs	16.8	15.3	16.0
Other support and staff variance as a percentage of total costs	1.9	0.8	2.1
<b>Total support costs</b>	<b>18.6</b>	<b>16.1</b>	<b>18.1</b>
Special Accounts/General Fund as a percentage of total costs	0.2	1.5	0.3
Total support costs and General Fund as a percentage of total costs	18.8	17.6	18.5



81. The support budget for 2004–2005 will fund 5,637 posts, of which 1,618 will be under PSA and 4,019 under DSC funding. In 2002–2003 the support budget funded a total of 7,179 posts, of which 1,241 were PSA and 5,938 were DSC. Overall, PSA-funded posts increase by 377 and DSC-funded posts decrease by 1,919 in the 2004–2005 budget proposal. Some DSC posts have been regularized into PSA funding; other DSC posts will cease as the related EMOPs come to an end. Overall, posts funded by the support budget decrease by 1,542 in the 2004–2005 budget proposal. Further details on post changes are provided under each appropriation line.
82. The support budget is geared to providing effective and efficient support to WFP operations and meeting strategic management priorities in order to deliver the results for strategic priorities. Specifically, the support budget addresses the weakness identified in the Strategic Plan.
83. WFP addresses the identified weakness by achieving results for the following management priorities:
- MP1) Strengthening Partnerships;
  - MP2) Human Resources Management;
  - MP3) Results-based Management and Reporting;
  - MP4) Strengthening WFP's Knowledge Base;
  - MP5) Strengthening Operational Support;
  - MP6) Business Process Review;
  - MP7) Increased Transparency and Accountability;
  - MP8) Communication and Advocacy; and
  - MP9) Increased Resources for Increased Needs.
84. Further details on results by management priority and division are given at the end of this section.

## **DIRECT SUPPORT COSTS**

85. The DSC component is defined as the variable cost of managing operations in a country office. Of the total WFP support budget projected for 2004–2005, US\$461 million, or 53 percent, will be funded by DSC.
86. For the 2004–2005 budget, country offices prepared DSC budgets based on the total needs required to implement the operational budget. Table 28 shows the total DSC costs by region.



<b>TABLE 28: DIRECT SUPPORT COSTS, BY REGION*</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ thousand)</b>		
Asia	61 083	46 894	48 679
Eastern Europe	24 057	14 422	
Latin America and Caribbean	8 515	8 456	8 778
Mediterranean, Middle East and Central Asia	54 670	131 926	151 919
Eastern and Central Africa	210 962	135 138	140 282
West Africa		22 540	23 398
Southern Africa		52 054	54 015
*Others	11 324	31 836	34 023
<b>TOTAL</b>	<b>370 611</b>	<b>443 247</b>	<b>461 094</b>

Note: The figures may not be entirely comparable because of restructuring of countries in each region.

\*Expenditures not attributed to regions.

87. Table 29 shows DSC for 2002–2003 and 2004–2005 by major expenditure item.

<b>TABLE 29: DIRECT SUPPORT COSTS, BY EXPENDITURE ITEM</b>		
	<b>2002–2003 estimates</b>	<b>2004–2005 projection</b>
	<b>(US\$ thousand)</b>	
Staff	242 159	251 377
Consultants	28 811	29 908
Travel	45 691	47 430
Communications	9 356	9 712
Information systems	45 265	47 963
Other office expenses	71 965	59 704
Provision for UNSECOORD	*	15 000
<b>TOTAL</b>	<b>443 247</b>	<b>461 094</b>

\* US\$6.5 million funded from General Fund and US\$0.5 million from additional PSA.

## **COMMON SECURITY: UNSECOORD**

### **Background: 2001–2003**

88. In July 2001, a United Nations Security Management System census of all staff was carried out in all non-OECD duty stations. The census indicated that WFP had 7,097 staff in the field, which accounted for 12.12 percent of United Nations' security costs.

89. In accordance with the cost-sharing agreement adopted by the General Assembly, WFP's share of security costs for the biennium 2002–2003 was estimated at US\$6.5 million. At its Third Regular Session in October 2001, the WFP Executive Board authorized the use of the General Fund on a one-off basis to fund WFP's share of the



2003–2004 UNSECOORD budget in the amount approved by the General Assembly (decision 2001/EB.3/39). In December 2001, the Secretariat transferred this amount from the General Fund to the Staff Safety and Security Account to earmark an amount sufficient for that purpose.

90. As the Board was informed in May 2003 (see document WFP/EB.A/2003/8-D), UNSECOORD has been successful in recruiting 100 professional Field Security Officers in a more timely fashion than predicted in the United Nations budgeting mechanism, which funds new posts for only the second year of a biennium and which had anticipated a one-year delay in such recruitment. While this is a positive development from a security perspective, it has practical implications for WFP's share of security costs for the current biennium, which will be on the order of US\$7–8 million.

### **Budget Proposal: Security Costs for 2004–2005**

91. WFP's share of common security costs for the next biennium will be based on the results of the latest census, conducted in July of 2003. The census gives WFP's share as 15 percent of the total proposed security maintenance budget of US\$87 million, or US\$13 million for the biennium.
92. In an effort to ensure the well-being of its employees and their families, WFP subscribes to a Malicious Acts Insurance Policy, which provides relief to the families of international and national staff who sacrifice their lives accomplishing WFP's mission of feeding the hungry poor. Since the tragic events of 11 September 2001, the cost of this coverage has risen steadily. Uninterrupted coverage for more than 10,000 WFP staff and associated personnel for the next biennium requires a provision of US\$2 million.
93. Therefore, the estimated costs for security cost sharing and insurance for the next biennium have been provisioned at US\$15 million.

### **DIRECT SUPPORT COST ADVANCE FACILITY (DSCAF)**

94. The Direct Support Cost Advance Facility was approved by the Executive Board in 1999 as part of the revised R&LTF policies. In approving the 2000–2001 WFP Budget, the Executive Board authorized the Executive Director to allot up to US\$33 million for the purpose of advancing direct support costs under the facility. Since then, the facility has been utilized to its maximum level.
95. During 2002–2003 biennium, WFP advanced US\$67 million of DSC under the advance Facility to 130 different operations located in 65 countries. Of this amount, US\$43 million was required for development activities and US\$24 million for EMOPs and PRROs.
96. In 2002 WFP advanced US\$33.2 million, of which US\$21.2 million was for development activities and the remaining US\$12 million was allocated to assist country offices with the start-up costs of EMOPs and PRROs. One of the operations that benefited from the DSCAF was the Southern African relief operation, which was given an advance of US\$5.5 million. The advance gave the regional bureau and country offices immediate access to funds, allowing WFP to increase its presence on the ground in a short period of time. That advance was used also to purchase equipment and open sub-offices throughout the region.
97. In 2003 WFP advanced US\$33.8 million, of which US\$21.8 million was for development activities and US\$12 million for EMOPs and PRROs.





98. Of the US\$67 million advanced in 2002–2003, about US\$17 million was allocated to cover the cost of 150 international staff. Funding from the facility was also used to cover more than 1,000 local positions. An advance of US\$0.715 million to cover preparation costs for new development projects and country programmes was also allocated to regional bureaux.
99. The facility was found to be quite useful during the project closure exercise. The Office of Budget (OEDB) was able to advance DSC to new projects, allowing country offices to stop spending against expired projects. However, because of the facility's limited size, OEDB was unable to fulfil all the requests.
100. Over the past biennium, requests made to DSCAF have steadily increased. The DSCAF has proven to be a useful tool, permitting WFP to respond to unexpected needs within 72 hours, without disrupting the flow of cash to ongoing development activities. The DSCAF has also assisted in evening the flow of spending to projects. (DSC income through contributions is rarely evenly matched to DSC expenditure.) The DSCAF has been revolved successfully, with no major problems experienced in recovering the amounts advanced. On many occasions OEDB was forced to recover DSC well in advance of the planned recovery date, because of additional requests. These unexpected early recoveries forced many country offices to limit the level of their operations, leading to delays in implementation.
101. The main factor limiting the DSCAF is its size. The Secretariat therefore proposes that the facility's capacity be raised to US\$60 million, which represents about three months' coverage of needs, or 13 percent of the Programme's overall DSC requirements for 2004–2005.
102. The approval of this proposal will facilitate the meeting of start-up costs of new operations, while supporting ongoing operations.

## **PSA BUDGET**

### **OVERVIEW**

103. The PSA funds both programme support and management and administration. For the 2004–2005 budget, 35 percent of the total support cost will be funded by PSA. The PSA budget amounts to US\$305 million, the level needed to support the proposed operational budget. The PSA budget includes building and increasing capacity in priority areas and mainstreaming core functions currently funded by extrabudgetary resources. Of the US\$305 million, US\$54 million will be for capacity-building to address weaknesses identified in the Strategic Plan. The PSA proposal for 2004–2005 requests 1,618 posts compared with 1,241 posts in 2002–2003. This is an increase of 377 posts. Of these requested posts, 159 are needed for capacity building and the rest for normal business and to regularize posts funded by extrabudgetary funds and DSC into PSA.
104. The PSA budget is needs based and grounded in WFP's priorities. It takes into account the Executive Board's view that WFP should provide PSA funding for core and capacity-building processes. Details of the budget's methodology are presented in Annex IV.
105. There are 12 weakness in the Strategic Plan of which ten are addressed by the support budget (see box on page 2). The weakness "Difficulties in assuring funding for country programmes impedes full achievement of their objectives" is addressed in Section II of this document. The weakness "Programme categories can hinder seamless programming" has not been addressed; the budget proposal is based on existing programme categories.



106. The box below shows the ten weaknesses addressed in the support budget, with the division mainly responsible for their remedy. The budgets of the divisions reflect this responsibility.

<b>WFP WEAKNESSES</b>	
i.	WFP needs to implement a comprehensive strategic human resources plan. <i>[Action: Human Resources Division]</i>
ii.	Much of WFP's ability to improve its capacity and the quality of its programming has been dependent on extra-budgetary resources. <i>[Action: Operational and Policy &amp; External Affairs Departments]</i>
iii.	Needs assessments require improvement. <i>[Action: Operational Department]</i>
iv.	Weaknesses in business processes and inadequate mechanisms for up-front funding have led to inflexibility and operational problems. <i>[Action: Fundraising &amp; Communications Department and Business Process Review]</i>
v.	Slow roll-out of the WFP Information Network and Global System (WINGS) to country offices delayed the full benefits of decentralized financial management. <i>[Action: Information &amp; Communications Technology and Finance Divisions]</i>
vi.	WFP depends too much on a few donors. <i>[Action: Fundraising &amp; Communications Department]</i>
vii.	The current full-cost recovery policy has hindered emerging donors from contributing. <i>[Action: Fundraising &amp; Communications Department]</i>
viii.	Resource mobilization has been hindered because WFP is not well known to the public in donor countries. <i>[Action: Fundraising &amp; Communications Department and Policy &amp; External Affairs Department]</i>
ix.	Opportunities to use food aid as part of a broader package of assistance depends largely on operating partners, and leave WFP only partially able to control results. <i>[Action: Operational and Policy and External Affairs Department]</i>
x.	Progress towards results-based management has been slow, and improvements in reporting are needed. <i>[Action: Division for Results-Based Management]</i>



107. The US\$54 million for capacity-building, included in the PSA budget to address the above weakness is broken down as follows.

<b>TABLE 30: CAPACITY-BUILDING</b>		
<b>Initiative</b>	<b>Total costs (US\$ million)</b>	<b>Staff count</b>
<b>Increased programme technical support</b>		
Gender	1	0
HIV/AIDS	1	0
Nutrition	1	4
School feeding	7	5
Results-based management	3	3
Operational support and quality (includes COMPAS, logistics, procurement)	4	22
<b>Subtotal</b>	<b>17</b>	<b>34</b>
<b>Increased staff security</b>		
Improved staff security	1	2
<b>Subtotal</b>	<b>1</b>	<b>2</b>
<b>Administrative strengthening</b>		
Financial strengthening	4	25
Human resources management	7	27
WINGS support/deployment	7	18
Business Process Review	4	8
<b>Subtotal</b>	<b>22</b>	<b>78</b>
<b>Partnerships, communications and broadening donor base</b>		
Improved partnerships	1	5
Fund-raising, communication, advocacy	13	40
<b>Subtotal</b>	<b>14</b>	<b>45</b>
<b>TOTAL</b>	<b>54</b>	<b>159</b>

108. Capacity-building across WFP is presented in the following table.



TABLE 31: PSA—CAPACITY-BUILDING INITIATIVES, BY DIVISION AND CATEGORY, 2004–2005 (IN US\$ MILLION)

	RB	ODF	FS	HR	MS	ICT	OEDA	OEDI	OEDO	OEDB	OEDR	BPR	PED	PSP	PSPW	PER	FCD	TOTAL	
Increased programme technical support																			
Gender														0.70					0.7
HIV/AIDS														0.70					0.7
Nutrition	0.50													0.80					1.3
School feeding														6.50					6.5
Results-based management	0.90										2.30								3.2
Operational support and quality (includes COMPAS, logistics, procurement)	2.0	1.6				0.4													4.0
Increased staff security																			
Improved staff security	0.60				0.20														0.8
Administrative strengthening																			
Financial strengthening	1		0.90			0.50	0.90	0.50	0.04	0.30									4.14
Human resources management				6.50		0.72													7.22
WINGS support/ deployment	0.70				0.20	6.45													7.35
Business Process Review												4.10							4.1
Partnerships, communications and broadening donor base																			
Improved partnerships													0.40		0.31	0.10			0.81
Fundraising, communication, advocacy	0.50																12.82		13.32
<b>TOTAL</b>	<b>6.20</b>	<b>1.60</b>	<b>0.90</b>	<b>6.50</b>	<b>0.40</b>	<b>8.07</b>	<b>0.90</b>	<b>0.50</b>	<b>0.04</b>	<b>0.30</b>	<b>2.30</b>	<b>4.10</b>	<b>0.40</b>	<b>8.70</b>	<b>0.31</b>	<b>0.10</b>	<b>12.82</b>	<b>54.14</b>	



109. Further details on capacity-building are provided under each appropriation line later on in this section.
110. Table 32 compares the projected 2004–2005 PSA by appropriation line with 2000–2001 actual and 2002–2003 estimated costs.



TABLE 32: PSA, BY APPROPRIATION LINE (US\$ thousand)											
	2000–2001*			2002–2003			2004–2005				
	Post count			Post count			Post count				
	Prof.	Total	Total cost	Prof.	Total	Total cost	Prof.	Total	Total cost		
Programme support—regional bureaux and country offices	151.5	630	85 241	156.8	646.4	88 943	199.1	752.1	103 156		
Programme support—Headquarters	47	119	29 848	48	124	19 331	79.1	167.1	28 427		
Management & Administration	194.5	426.5	114 677	229.3	470.3	122 726	383.2	699.2	173 754		
<b>TOTAL</b>	<b>393</b>	<b>1 175.5</b>	<b>229 766</b>	<b>434.1</b>	<b>1 240.</b>	<b>231 00</b>	<b>661.4</b>	<b>1 618.4</b>	<b>305 337</b>		

Note: Total cost column reflects both staff and non-staff costs.

\*2000–2001 excludes US\$6.3 million transferred to FMIP special account.



## USE OF ADDITIONAL PSA FOR 2002–2003

111. The Executive Director has the authority to adjust the PSA budget when the volume of operations varies by more than 10 percent from the planned level. For the 2002–2003 budget, operations were 59 percent higher than original estimates. Therefore the Executive Director increased the PSA budget by US\$31 million, or 15.5 percent of the reduced budget. Table 33 summarizes the uses of the additional PSA:

<b>US\$ million</b>	<b>Item</b>
1.2	Establishment of results-based management unit and decentralization review
3.6	School feeding, including allocation for WFP/World Bank school initiative
0.4	Enhancement of graduate programme (HR)
18.8	Communication/ICT equipment and related training
1.5	Field security equipment
1.4	HIV/AIDS-related activities
0.5	Nutrition
0.5	Increased support for NGOs, host country relations and contributions to the United Nations organization
0.5	Increased malicious acts insurance premium
0.4	Increased communication costs
0.4	Increased finance
1.0	Refurbishment of red tower (HQ)
0.8	Other activities

## POST UPGRADING

112. The 2002–2003 budget contained a provision for 20 post upgrades; up to August 2003, 17 have been implemented, including country directors in Iraq, Zimbabwe, Malawi, Tanzania and the Central Africa Republic. Other upgrade points reflected changes in function at Headquarters and in the field resulting from expanded responsibilities. Breakdown by grades is provided in Annex I, page 152.

113. For the 2004–2005 biennium, the Executive Director is seeking authority from the Board for ten post upgrades.

## PROGRAMME SUPPORT—REGIONAL BUREAUX AND COUNTRY OFFICES

114. Table 34 shows the distribution of staff and costs by region within this category for 2004–2005 compared with 2000–2001 and 2002–2003.



TABLE 34: PROGRAMME SUPPORT—REGIONAL BUREAUX AND COUNTRY OFFICES, BY REGION (US\$ thousand)										
		2000–2001			2002–2003			2004–2005		
		Post count			Post count			Post count		
		Prof.	Total	Total cost	Prof.	Total	Total cost	Prof.	Total	Total cost
Asia	ODB	22.5	83	11 279	25	95	13 062	28	104	13 796
Eastern Europe	ODR	3	18	1 941	3	18	1 847			
Latin America and Caribbean	ODPC	25	104	16 623	24	100	17 405	24	99	14 794
Mediterranean, Middle East and Central Asia	ODC	26	109	14 581	24	99	13 450	37.6	148.1	19 841
West Africa	ODD	23	96	13 660	35	155	20 003	45.5	176.5	23 811
Eastern and Southern Africa		31	133	18 382						
Central Africa		21	87	8 775						
Eastern and Central Africa	ODK				25	99	14 958	35	124	17 584
Southern Africa	ODJ				20.8	80.4	8 219	29	100.5	13 330
<b>TOTAL</b>		<b>151.5</b>	<b>630</b>	<b>85 241</b>	<b>156.8</b>	<b>646.4</b>	<b>88 943</b>	<b>199.1</b>	<b>752.1</b>	<b>103 156</b>

Note: Total cost column reflects both staff and non-staff costs.

115. In 2004–2005, the PSA component of the support budget will fund a standard country office structure in the countries where WFP has a presence, six regional bureaux and one regional office. At the end of 2003, the Eastern Europe Bureau will cease to exist, and the five countries in that region will be brought under the Mediterranean, Middle East and Central Asia Bureau (ODC), in Cairo.

116. The proposal for this component amounts to US\$103.2 million compared with US\$88.9 million in the 2002–2003 biennium. Of US\$103.2 million, US\$48.4 million will support the six regional bureaux and one regional office. This increase of US\$6.65 million over the revised 2002–2003 estimates is attributed to the regularization of posts funded by extrabudgetary resources and for capacity-building. Table 35 provides details of US\$6.65 million increase.





<b>TABLE 35: DETAILS OF INCREASE, BY REGIONAL BUREAU</b>			
		<b>New costs (staff &amp; non-staff) (US\$ million)</b>	<b>Number of staff</b>
ODD	Training for WINGS roll-out	0.4	0
	P-4 M&E Officer	0.3	1
	P-3 Resources Management Officer	0.3	1
	P-3 COMPAS Manager	0.3	1
	P-3 IT Officer	0.3	1
	P-3 Finance Officer (project budget performance)	0.3	1
	National officers (pipeline/COMPAS, HR, finance)	0.1	3
ODDY	P-4 Head of Logistics and Finance	0.3	1
	P-2 Reports Officer	0.2	1
	P-2 Resource Manager	0.2	1
ODJ	P-3 M&E Programme Officer	0.3	1
ODK	P-4 RBM Officer	0.3	1
	P-4 Field Security Officer	0.3	1
	P-2 and P-3 Nutrition Programme Officers	0.5	2
	P-2 VAM Officer	0.2	1
	National officers, ICT, finance, logistics)	0.2	4
	P-4 Procurement Officer	0.3	1
	P-3 Logistics Officer	0.3	1
	Upgrades (P-4 to P-5) for logistics and finance	0	0
ODPC	P-3 COMPAS officer	0.3	1
	Consultancies and duty travel for fund-raising initiative	0.5	0
	P-4 Security Officer	0.3	1
Other	Regularization of posts/business increased	0.45	72.7
<b>TOTAL</b>		<b>6.65</b>	<b>97.7</b>

117. Of the projected US\$103.2 million under this component, US\$54.8 million will be used to fund a standard country office configuration in 76 countries (as compared with 73 countries in the 2002–2003 biennium) following the addition of Russia, Albania and Myanmar. In most cases, country offices will receive PSA to fund one international Professional staff member (Country Director), two national officers and three General Service staff members; they receive an additional US\$110,000 per year for local operating expenses, reflecting a 100-percent increase from the US\$55,000 budgeted for in 2002–2003. The total increase in the country office budget over the 2002–2003 biennium is US\$7.4 million.

118. There is an additional provision of US\$5.7 for financial strengthening, to be funded as one-off initiatives. Further details are given in Section III.



## PROGRAMME SUPPORT—HEADQUARTERS

119. This category of PSA funding constitutes support to WFP programmes by the Operations Department (OD). During 2003, OD was reconfigured to focus more on programme preparedness, response and the whole food delivery chain (from programming to procurement to transport). OD comprises: ODO (Office of the Associate Director of Operations), ODF (Food Procurement Service), ODP (Programming Service), OTP (Transport Division).

120. Table 36 shows staff and non-staff cost estimates for 2004–2005, compared with 2000–2001 actual and 2002–2003 estimated costs.

	2000–2001 actual			2002–2003 estimated			2004–2005 projected		
	Post count			Post count			Post count		
	Prof.	Total	Total cost	Prof.	Total	Total cost	Prof.	Total	Total cost
ODO	5	13.5	2 400	6	15	5 220	10	20	3 774
ODA	2	3	1 900						
ODP	8	23.5	3 245	8	24	3 200	10	28	4 151
OHA**	4	7	1 987						
ODF				5	13	641	9	20	3 085
OT**	28	72	14 288	29	72	10 266	50.1	99.1	17 416
OAE			2 140						
OLC			389						
OMN			520						
OSA			2 975						
<b>TOTAL</b>	<b>47</b>	<b>119</b>	<b>29 841</b>	<b>48</b>	<b>124</b>	<b>19 331</b>	<b>79.1</b>	<b>167.1</b>	<b>28 421</b>

Note: Total cost column reflects both staff and non-staff costs.

\*OHA moved to PED in 2003.

\*\* Includes VAM.

121. The proposed figure for Headquarters programme support is US\$28.4 million, as compared with US\$19.3 million in the 2002–2003 biennium, an increase of US\$9.1 million, mostly attributable to post regularization. Details of this increase are provided in Table 37. Through the ISP (Institutional Strategic Partnership) WFP was able to establish posts in air safety, needs assessment and contingency planning. After a successful evaluation, WFP will regularize those posts and fund them under PSA. Also, several new posts and funds for consultancies and non-staff support have been added in the following areas: in capacity building in ODF, to cover the increase in international and local procurement; in emergency preparedness; and in quality and reporting requirements, to address weakness: “Much of the Programme’s ability to improve its capacity and the quality of its programming has depended on extrabudgetary resources”. OD will deal with concerns raised on needs assessment. It will focus also on overall programme excellence,



programme quality and capacity-building across all WFP operations. Further details on objectives, results and performance indicators are provided at the end of this section.

<b>TABLE 37: DETAILS OF INCREASE IN PROGRAMME SUPPORT—HEADQUARTERS</b>			
<b>OD (HQ)</b>		<b>New costs (staff and non staff) (US\$ million)</b>	<b>Number of staff</b>
ODO	Posts converted to PSA funding	0.44	2
		<b>0.44</b>	<b>2</b>
ODF	Quality Assurance Group, increased local and intr'l procurement Posts converted to PSA funding	1.6	9
		0.1	1
		<b>1.7</b>	<b>10</b>
ODP	Posts converted to PSA funding	0.56	4
		<b>0.56</b>	<b>4</b>
OTP	Posts converted to PSA funding	4.62	27
		<b>4.62</b>	<b>27</b>
Other	Business increase	1.78	0.1
<b>TOTAL OD (HQ)</b>		<b>9.10</b>	<b>43.1</b>

122. Additional details relating to staffing and PSA costs by unit are provided in Annex II, Tables B and C.

## **MANAGEMENT AND ADMINISTRATION**

123. This component of the support budget covers the Office of the Executive Director (OED), the Policy and External Affairs Department (PED), and the Fundraising and Communications Department (FCD), which constitute the Management Offices. The component also covers the Administration Department, comprising the Finance Division (FS), Information and Communications Technology Division (ICT), Human Resources (HR), and the Management Services Division (MS).

124. Major organizational changes in 2002–2003 were: the creation of the Results-Based Management Division (OEDR) in February 2003, reporting to the Executive Director; the creation of the new Policy and External Affairs Department in February 2003, under a new Deputy Executive Director, to deal with issues related to policy, strategy and programme support, and relations with other agencies and with the Executive Board; and the consolidation of various units dealing with resources and external relations to create the Fundraising and Communications Department (FCD), under a new Assistant Executive Director. Most new divisions/departments were created by moving some units from one section to a new one. There is a need for increased capacity to enable them to meet their mandates. This explains some of the increase in the budget for the management and administration category; the other increase is to be able to address the weaknesses identified in the Strategic Plan. Table 38 provides a breakdown of total costs and staff count for 2004–2005, compared with 2000–2001 actual and 2002–2003 estimates.



TABLE 38: PROGRAMME SUPPORT—MANAGEMENT AND ADMINISTRATION (US\$ thousand)									
	2000–2001			2002–2003			2004–2005		
	Post count			Post count			Post count		
	Prof.	Total	Total cost	Prof.	Total	Total cost	Prof.	Total	Total cost
OED	32	56	13 321	37.5	66	12 633	41	74	16 741
BPR							5.4	8.4	4 094
FCD	47.5	92.5	22 472	57.5	100.5	18 744	84.8	140.3	33 161
PED	17	25	8 697	42.3	79.8	23 269	63.5	105.5	34 662
<b>Subtotal Management</b>	<b>96.5</b>	<b>173.5</b>	<b>44 490</b>	<b>137.3</b>	<b>246.3</b>	<b>54 646</b>	<b>194.7</b>	<b>328.2</b>	<b>88 658</b>
AD	2	4	552	1	2	11 853	2	4	779
FS	19	54	8 940	22	50	7 649	28	61	9 058
ICT	31	64	22 841	30	58	15 919	97.8	137.4	34 764
HR	29	64	20 158	28	63	11 030	43.2	102.6	22 946
MS	17	67	17 696	11	51	15 633	17.5	66	17 550
<b>Subtotal Administration</b>	<b>98</b>	<b>253</b>	<b>76 487</b>	<b>92</b>	<b>224</b>	<b>62 084</b>	<b>188.5</b>	<b>371</b>	<b>85 097</b>
<b>TOTAL</b>	<b>194.5</b>	<b>426.5</b>	<b>114 677*</b>	<b>229.3</b>	<b>470.3</b>	<b>122 726</b>	<b>383.2</b>	<b>699.2</b>	<b>173 754</b>

\* Excludes US\$6.3 million transfer to FMIP Special Account.

Note: Total cost column reflects both staff and non-staff cost. Includes statutory requirements.



125. Seven of the 12 weaknesses identified in the Strategic Plan will be addressed by divisions under Management and Administration; this reflects the under-capacity in those areas. In addressing the weaknesses, WFP will seek to meet management priorities. Further details on this, and linkages to objectives, results and performance indicators are given at the end of this section.

### Office of Executive Director (OED)

126. OED capacity will be increased in the following areas: technical support to OEDR; and administrative strengthening in OEDA, OEDI, OEDO, OEDB and a provision for implementation of the Business Process Review. Budget proposal for OED amounts to US\$20.8 million, a US\$8.2 million increase over 2002–2003 budget estimates. Details of this increase by organizational unit and line item are provided in Table 39.

<b>TABLE 39: DETAILS OF INCREASE, BY ORGANIZATIONAL UNIT AND LINE ITEM</b>			
<b>OED</b>		<b>New costs (staff &amp; non-staff) (US\$ million)</b>	<b>Number of staff</b>
<b>OEDR</b>	Increase in order to create dedicated RBM division	2.30	0
		<b>2.30</b>	<b>0</b>
<b>OEDO</b>			
OEDA	Increase in audits and introduction of CRSA	0.9	3.95
OEDI	Increase in investigations, reviews, missions, advice and training	0.5	1.66
OEDO	Review of oversight, steps to adopt code of ethics, assist ED in policy matters	0.04	0
		<b>1.44</b>	<b>5.61</b>
<b>BPR</b>	Provision for Business Process Review	4.10	8.4
		<b>4.10</b>	<b>8.4</b>
<b>OEDB</b>	Promoting efficient use of budgetary tools to concerned budget holders	0.30	1.9
		<b>0.30</b>	<b>1.9</b>
<b>Other</b>	Regularization of posts, business increase, etc.	0.06	0.5
<b>TOTAL OED</b>		<b>8.20</b>	<b>16.4</b>



## Business Process Review

127. Several recent developments have highlighted the need for a review of the way the Programme operates. These include major growth in operational activities, an increasing focus on emergencies, adoption of the Programme's new corporate information management system, and growing cash balances.
128. WFP recently reviewed corporate policies, procedures and practices in managing global food aid, with a view to introducing greater speed, flexibility, and accountability.
129. The objectives of BPR are:
- ◇ **Faster planning and implementation:** To improve reaction time to emergencies, WFP is exploring ways to reduce reliance on individual contributions, and ensure financing of operations before they begin. One idea is to move to a financing model that uses working capital to transfer the risks of pipeline breaks from the beneficiaries to WFP. Such an approach would require improved forecasting, and more sophisticated management of on-hand stocks.
  - ◇ **Clearer accountability, and greater authority and responsibility at the field level:** An important incentive to improve operational budgeting is complete project ownership, and with it, accountability. Key activities to achieve these goals include: reviewing existing delegations of authority, strengthening financial and budgetary management at the regional and country-office levels, providing improved WINGS reporting at the field level, and, most important, entrusting and equipping Country Directors with the authority and responsibility for all operational activities.
  - ◇ **Increased flexibility:** WFP works in an unpredictable environment, where change is a constant. Therefore, it needs to adapt its procedures, operational planning, and information systems to that environment. The major challenge is to balance the need for control and accountability with the capacity to react quickly to change.
130. To achieve these objectives, WFP has embarked on several activities as part of the Business Process Review. To improve the use of contributions, and thereby rationalize cash balances, a team has been established at Headquarters and country offices to streamline contribution usage at each business step. The closure of projects has been accelerated. Another team is working on improvements to WINGS, to allow more flexibility and speedier identification of potential savings. Reports are being developed to provide Country Directors with the information they need to make better management decisions regarding their projects.
131. An external study of all core WFP business processes and a financing model will be carried out by international consultants from the Boston Consulting Group, to be completed by October. The study builds upon work done internally by the Business Process Review team, examining corporate policies, procedures, and practices. The results of the study, including preliminary indications of possible changes in organizational structure and policies, will be communicated to the Executive Board in the form of an Information Note at this Board session. Any policy changes requiring Board approval will be submitted to the Board in February 2004. WFP's goal is to implement all changes arising from the Business Process Review by the end of 2004. A provisional budget of US\$4.1 million has been provided for implementation of the BPR recommendations anticipated in February 2004 and for ongoing management of working capital.



## Policy and External Affairs Department (PED)

132. Capacity-building in PED is under the Division of Strategy, Policy and Programme Support (PSP) for technical support in gender, HIV/AIDS, nutrition and school feeding; and under PSPW and PER for improved partnerships. The budget for 2004–2005 amounts to US\$34.66 million, an increase of US\$11.39 million over 2002–2003 estimates. Further details of this increase are provided in Table 40.

<b>TABLE 40: DETAILS OF INCREASES BY ORGANIZATIONAL UNIT AND LINE ITEM</b>			
<b>PED</b>		<b>New costs (staff &amp; non-staff) (US\$ million)</b>	<b>Number of staff</b>
<b>PSP</b>	Extra costs in implementing in full biennium HIV/AIDS strategy	0.7	0
	Extra budget for training and roll-out of enhanced commitments for women guidelines for country level implementation	0.7	0
	Extra costs in implementing in full biennium nutrition begun in last half of 2003	0.8	2
	School feeding	6.5	5
		<b>8.70</b>	<b>7</b>
<b>PSPW</b>	Improved partnership	0.31	0
		<b>0.31</b>	<b>0</b>
<b>PED</b>	Lead WFP's "outreach" to NGOs and foundations and build partnerships with them	0.3	3.5
	Speechwriting	0.1	0.5
<b>PER</b>	Host country relations	0.1	0.6
		<b>0.10</b>	<b>0.6</b>
<b>Other</b>	Regularization of posts, business increase, etc.	<b>1.88</b>	<b>14.1</b>
<b>TOTAL PED</b>		<b>11.39</b>	<b>25.7</b>

## Fundraising and Communications Department (FCD)

133. Capacity-building in FRC will be for fund-raising, communication and advocacy. The budget proposed for 2004–2005 is US\$33.16 million, an increase of US\$14.42 million over 2002–2003 estimates. Details of this increase are provided in Table 41.



<b>TABLE 41: DETAILS OF INCREASE, BY ORGANIZATIONAL UNIT AND LINE ITEM</b>		
<b>FCD</b>	<b>New costs (staff &amp; non-staff) (US\$ million)</b>	<b>Number of staff</b>
<b>AED:</b> oversight of five divisions, ensure standards for fund-raising and communications established and met, formulate and implement strategies for funding WFP's requirements, ensure synergy between fund-raising and communications initiatives across the organization.	0.10	0
<b>Total AED</b>	<b>0.10</b>	<b>0</b>
<b>FRA:</b> mobilize resources from new and emerging donors in the Asia region – One D-1 Head of Office and one G-5 Office Assistant – Office rent and utilities – ICT running costs, travel, advocacy and miscellaneous costs	0.40 0.03 0.12	
<b>Total FRA</b>	<b>0.56</b>	<b>2</b>
<b>FRD:</b> increase capacity for funding raising, create new offices in Middle East and Latin America, install fundraising capacity in Paris and Berlin, train cover office support costs for these offices, train staff in regional and country offices, – Professional staff for above offices (four P-5, one P-4, one P-2) – GS staff for above offices (two G-5, three G-4) – Costs for establishing new offices – Fundraising training for regional and country offices – Additional staff for FRD/HQ (three P-4, one P-3, three G-4)	1.33 0.47 0.39 0.11 1.08	
<b>Total FRD</b>	<b>3.37</b>	<b>17</b>
<b>FRE:</b> identify new funding sources within EC and Belgium, research formulate and implement fundraising strategies, build alliances with opinion makers and the NGO community – Additional staff for office (one P-5, one G-5) – Rent for additional office staff, set up costs, equipment, TC/IT	0.35 0.27	
<b>Total FRE</b>	<b>0.61</b>	<b>2</b>
<b>FRJ:</b> identify new funding sources in Japan, liaise with the Parliamentary League, raise public awareness of, and support to, WFP in Japan – Additional staff for office (one each P-5, P-4, G-5, G-4) – Consultancies (for JAWFP, Government of Japan, etc.) – Duty travel, office expenses, Comm/IT services, rent, duty travel	0.65 0.30 0.50	
<b>Total FRJ</b>	<b>1.45</b>	<b>4</b>
<b>FRP/FRF:</b> Fundraising from the private sector (foundations and corporations) – Additional staff (0.5 D-2, two P-5, 1.8 P-4, 0.5 G-6, less two P-3) – Additional office costs for FRF – Additional office costs for FRP	0.72 0.17 0.42	
<b>Total FRP/FRF</b>	<b>1.31</b>	<b>2.8</b>
<b>FRU:</b> Fundraise from United States Government (USDA, USAID and United States Administration) – Additional office costs – Additional staff costs (while number remains the same, increase in staff in 02/03 was for one year only while for present biennium is for two years)	1.06 0.69	
<b>Total FRU</b>	<b>1.75</b>	<b>0</b>
<b>FRC:</b> ensure wider media coverage of WFP and its work, creating communications – Additional staff (three P-5, four P-4, one P-3, two P-2, one G-6, one G-4) – Additional office costs	2.24 1.43	
<b>Total FRC</b>	<b>3.67</b>	<b>12</b>
<b>Other:</b> Regularization of posts, business increase, etc.	<b>1.60</b>	<b>0</b>
<b>TOTAL FCD</b>	<b>14.42</b>	<b>39.8</b>





## **Administration Department (AD)**

134. WFP is organized in four main units:

- ◇ Operations
- ◇ Fund-raising
- ◇ Policy and External Relations
- ◇ Administration

135. Based on the ZBB review for 2004–2005, the Executive Director is recommending that each unit be managed by an ASG-level executive. Currently, a Deputy Executive Director (DED) manages Operations, a DED manages Policy and External Relations and an Assistant Executive Director (AED) manages Fundraising; this ASG post was transferred from Administration in 2003.

136. It is therefore necessary to request a fourth ASG post at WFP to manage administration, currently managed by the Director of the Executive Director's office, to balance workloads and span of control of WFP's senior management group.

137. Capacity will be needed for financial strengthening for the finance division; for Human Resources management for Human Resources Division; for WINGS support for MS and ICT; also, increased security will be needed for MS. The budget proposal for the AD amounts to US\$85.09 million, a US\$23.0 million increase over the 2002–2003 estimates. Details of this increase by organizational unit and line item are provided in Table 42.



<b>TABLE 42: DETAILS OF INCREASE BY ORGANIZATIONAL UNIT AND LINE ITEM</b>			
<b>AD</b>		<b>New costs (staff &amp; non-staff) (US\$ million)</b>	<b>Number of staff</b>
<b>ASU</b>	Assistant Executive Director	0.3	1
<b>Other</b>	Costs associated with ITC equipment in 2002–2003	-11.2	0
<b>Other</b>	Regularization of posts, business increase, etc.	-0.17	1
		<b>-11.07</b>	<b>2</b>
<b>FS</b>	Additional payroll support	0.1	1
	Management of donor receivables (function transferred from FRD)	0.3	2.5
	Strengthening of re-programming function	0.1	0.5
	Creation of analysis branch (FSR)	0.4	2
<b>Other</b>	Regularization of posts, business increase, etc.	0.51	5
		<b>1.41</b>	<b>11</b>
<b>ICT</b>	WINGS technical support	3.7	2
	Training/travel	0.72	1.7
	Additional WINGS rollout and field support	0.8	10
	Enhanced web support	1	3.8
	Hardware investment	0.95	0
	COMPAS support	0.4	2
	Finance budget and administrative support	0.5	5
<b>Other</b>	Regularization of posts, business increase, etc.	10.77	54.9
		<b>18.84</b>	<b>79.4</b>
<b>MS</b>	Field support: facilities management, safety, administrative manual	0.2	0
	WINGS MM procurement module support/key business user/non-traditional donors	0.1	0.5
	WINGS TRM travel module implementation and roll-out to all WINGS locations	0.1	0.5
<b>Other</b>	Regularization of posts, business increase, etc.	1.52	14
		<b>1.92</b>	<b>15.0</b>
<b>HR</b>	Ombudsman	0.2	1.5
	Reassignment, promotions, annual staff plan, recruitment plans and tools	1	6
	Statistical reports, policy development	0.5	3
	Staff development	1	1
	Staff counselling, registry	0.8	2.5
	Corporate training	3	11
<b>Other</b>	Regularization of posts, business increase, etc.	5.42	14.6
		<b>11.92</b>	<b>39.6</b>
<b>TOTAL AD</b>		<b>23.02</b>	<b>147.0</b>



## TRUST FUNDS

138. Over the years, WFP has benefited from trusts funds from donors. These funds have helped build capacity in such areas as nutrition, contingency planning, VAM and needs assessments. While WFP has mainstreamed a lot of core activities into PSA, there are still requirements that could benefit from trust funds. The budget for trust funds is set at US\$21 million, of which US\$1 million will come from the Italian Government for the renovation of the Headquarters building. There are some trust funds from the current biennium that are expected to cross over to 2004–2005; these are earmarked for new capacity-building, as shown in Table 43. The other trust funds will go towards ongoing activities such as VAM and micronutrient supplementation.

TABLE 43: TRUST FUNDS FOR CAPACITY-BUILDING INITIATIVES, BY DIVISION AND CATEGORY, 2004–2005										
	ODO	OTP	FS	HR	ICT	OEDB	BPR	PED	PSP	TOTAL
<b>Increased technical support</b>										
Gender									0.5	<b>0.5</b>
HIV/AIDS									0.5	<b>0.5</b>
Nutrition									0.5	<b>0.5</b>
School feeding									0.5	<b>0.5</b>
Results-based management										<b>0</b>
<b>Increased staff security</b>										
Improved staff security										<b>0</b>
<b>Administrative strengthening</b>										
Financial strengthening	0.2		0.3		0.5	0.2				<b>1.2</b>
Human Resource management		0.4		1.8						<b>2.2</b>
WINGS deployment					1.8					<b>1.8</b>
Business Process Review							0.3			<b>0.3</b>
<b>Partnerships, communications and broadening donor base</b>										
Improved partnerships								0.5		<b>0.5</b>
Fund-raising, communications and advocacy										<b>0</b>
<b>TOTAL</b>	<b>0.2</b>	<b>0.4</b>	<b>0.3</b>	<b>1.8</b>	<b>2.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>2</b>	<b>8.0</b>

## CAPITAL ASSET FUND AND OTHER SUPPORT

### BACKGROUND

139. In approving the Audited Biennial Accounts (2000–2001) (WFP/EB.3/2002/5-A/1/1), the WFP Executive Board approved an expenditure plan for surpluses and balances. The



Board approved US\$11 million for a Capital Asset Fund and US\$2.75 million for a Recurring System Support Cost Fund. US\$2 million has since been reclassified from Capital Asset Fund to Recurring System Support Cost Fund. An additional US\$0.7 million has been added to the Recurring Support Cost Fund for additional ICT staff.

140. The CAF was established to provide a funding mechanism for capital expenditure, including systems development and enhancement, and to ensure that information services resulting from the FMIP investment continued to be effective in the long term.
141. Capital expenditure funded by the CAF should:
- ◇ have longer-term benefits beyond the current biennium; and
  - ◇ should not be able to be met by the PSA budget of the current biennium

### CAPITAL ASSET FUND, 2002–2003: STATUS

142. Table 44 illustrates the revised allotments issued and the expenditures up to August 2003.

TABLE 44: BUDGET, EXPENDITURE AND STATUS TO COMPLETION			
Item	Allotments issued (US\$ million)	Expenditure to date (August 2003) (US\$)	Expected completion
<b>Capital Asset Fund</b>			
WINGS HR/Payroll completion	2.50	789 646	End 2005
On-off support for LTSH management	0.42	84 903	July 2004
Replacement of Headquarters servers and LAN and ETNet phase-over	1.45	1 092 873	December 2004
Standardization of software licenses in country offices	0.70	305 321	July 2004
WINGS roll-out to every country office (including enhancement of COAG-SAPInt)	4.0	1660 605	End 2003
<b>TOTAL CAF</b>	<b>9.07</b>	<b>3 933 348</b>	

143. The Capital Asset Fund has been used in the following projects:
- ◇ The upgrade of the LAN and server hardware, estimated at US\$0.8 million, is nearing completion (expected December 2003) and will use the full budgeted amount. The migration of ETNet countries, budgeted at US\$0.65 million, is scheduled to start after the new VSAT standard has been finalized, in September 2003. The migration is expected to be completed at the end of 2004.
  - ◇ The purchase of software licences for corporate use (e.g. Lotus Notes, anti-virus software), budgeted at US\$0.7 million, is under way; funding is expected to be fully used by mid-2004.
  - ◇ The HR/Payroll completion project (phase 1) has almost been completed (expected in October), using US\$1 million. The second phase of the HR/Payroll completion project is awaiting system upgrade, planned for 2004. US\$1.5 million has been set aside for this last phase of the project.



- ◇ The roll-out of WINGS to all country offices is well under way. As of the end of July, WINGS is live in 37 sites, with the goal of 58 countries with full access to the system by the end of 2003; the remaining country offices would have read-only access. The upgrade of the off-line accounting system COAG-SAPInt has been completed and is currently being tested. Roll-out of the new version of COAG-SAPInt is expected during the fourth quarter of 2003. A total budget of US\$4 million has been set aside for the WINGS roll-out project. Currently US\$1.6 million has been spent, and it is expected that an additional US\$1.3 million will be committed by the end of 2003. The remaining funds will be used to continue the roll-out in 2004.
- ◇ US\$0.4 million has been set aside for LTSH management improvement.

### RECURRING SYSTEM SUPPORT (RSS): STATUS

TABLE 45: RSS BUDGET EXPENDITURE AND STATUS			
Recurring system support costs	Allotments issued (US\$ million)	Expenditure to date (August 2003) (US\$)	Expected completion date
WINGS support and maintenance	0.80	755 207	March 2004
Initial support for ongoing LTSH management activities	1.58	507 950	July 2004
Implementation of Minimum Security Telecommunications Standards (MISTS)	1.08	1 077 000	March 2004
ICT equipment, Panama regional bureau	0.25	175 947	March 2004
Additional ICT staff and outsourcing of ICT support activities	1.63	841 037	July 2004
Business Process Review project	0.09	22 289	February 2004
<b>Subtotal RSS</b>	<b>5.43</b>	<b>3 379 430</b>	

144. The Recurring System Support has been used in the following projects:

- ◇ US\$1.08 million has been used to upgrade WFP country offices to Minimum Security Telecommunications Standards (MISTS). To date, 43 countries have been made MISTS compliant, with another 13 scheduled by the end of 2003.
- ◇ US\$1.6 million has been set aside for improved LTSH management.
- ◇ US\$0.8 million has been budgeted to cover the shortfall in the staffing of the new Competence Centre, which supports the WINGS system and is nearly fully committed.
- ◇ US\$1.6 million has been budgeted for additional ICT staff and improved ICT service with a 24-hour support help desk. The 24-hour support services have been implemented at a cost of US\$0.8 million; funds for the recruitment of additional staff have been committed.
- ◇ US\$0.25 million has been used for procurement of ICT equipment and other office equipment for the newly established regional bureau in Panama.
- ◇ US\$0.09 has been set aside to support the Business Process Review.



## **CAF PROPOSAL FOR 2004–2005**

145. In future the CAF budget will be driven by WFP strategic and management priorities. In line with RBM, the CAF budget will be geared to achieving set performance results. The CAF will be subjected to monitoring and reporting, and will have a framework for control comprising early warning, pre-emptive control, benchmarking and performance measurement.
146. The Executive Director proposes a CAF budget of US\$19.220 million for the biennium 2004–2005 for WINGS upgrade and related capital costs, broken down in Table 46.



TABLE 46: WINGS UPGRADE AND RELATED COSTS

Item	Expected results	Indicator	Costs (US\$)	Timeline implementation
1. Keeping hardware, desktop software and networks working	Purchase new equipment to support basic ICT services and replace existing equipment, which is at the end of its lifecycle. The CAF component provides the balance of the full equipment cost not amortized in the regular budget	1. Complete refreshing of aging Rome-based server, network and data-centre hardware 2. Payment of 100% of office automation and systems software	3 230 871	End 2005
2. Support PC user community	Purchase of desktop equipment for ICT, to replace equipment reaching the end of its lifecycle. The CAF component provides the balance of the full equipment cost not amortized in the regular budget	Complete refreshing of ICT desktop hardware	42 087	End 2005
3. Enable, facilitate and support WFP initiatives/activities through corporate information systems (e.g. WINGS)	Purchase additional SAP licences and payment of SAP maintenance fees	Purchase of an additional 250 licences to cover the additional users in the country offices, and payment of 2004/2005 maintenance fees	2 721 875	End 2005
4. Organize and coordinate support to ICT field offices by analysing their business requirements and allocating ICT resources to specific short- and long-term projects. Participate in and coordinate inter-agency activities as appropriate	Implementation of a new deep-field mailing system, which would give e-mail capacity to WFP staff dependent on radio for communication  Achieve 100% MOSS and MISTS compliance at WFP field offices to enhance staff security	Implementation of DFMS in 270 sites and 4000 users dependant on radio for email exchange in order to enhance staff security	3 622 789	End 2005
5. Improve WFP's ability to perform its mandate through the evolution of systems as well as through improved quality, accuracy and access to information	1. Upgrade the SAP software from the current version which will no-longer be supported by SAP to the latest version. 2. Enhance the Treasury function to cover the extended Treasury needs.	1. Upgrade and implementation in all country offices and regional bureaux with WINGS  2. Completion of the Treasury project and implementation in FST	4 400 000  300 000	End 2005
6. WINGS Data Warehouse—Business Information Warehouse project	Completes deployment of SAP by adding the Business Information Warehouse module (SAP's reporting module), which will enable the Programme to produce timely and consistent reports in a cost-effective way	Introduction of the first phase of Business Information Warehouse reports for management reporting	500 000	End 2004
7. Continue the roll-out of WINGS, support the establishment of the new business model, coordinate and provide the necessary training and liaise with business areas and ICT technical units to enhance its functionality. Support the system through the establishment of enhanced connectivity	Team member training and travel costs for the continued roll-out of WINGS to new sites	Additional sites added to the list of country offices live in WINGS	570 150	End 2004



**TABLE 46: WINGS UPGRADE AND RELATED COSTS**

Item	Expected results	Indicator	Costs (US\$)	Timeline implementation
8. Implement a <i>WFPgo</i> portal and regional network	Improved internal communication, increased access to regional and Headquarters documents and information, improved collaboration among staff in diverse geographical locations and within work teams	Completion of project and access to information and applications through the portal	250 000	End 2005
9. Electronic Records Management Programme (ERMP)	Implementation at Headquarters, all regional bureaux and selected country offices of proper procedures and tools for managing all corporate records, regardless of the physical media, in an integrated and cost-effective way. ERMP will enable staff to work more efficiently and will enable WFP to trace the history of its activities, for example for legal purposes	ERMP is completed and operational at Headquarters and selected field sites	3 000 000	End 2006
10. Improve the performance and reach of technical infrastructure	Purchase new Wide Area Network (WAN) equipment to support ICTS-supported country office telecommunication needs. The CAF component provides the balance of the full equipment cost not amortized in the regular budget	Upgrades of aging network equipment	332 833	End 2005
11. Provide a link between senior management and the internal and external business community; provide leadership to establish a vision and divisional strategic direction; translate them into ICT objectives, principles and priorities	Update the Information Strategy Plan. The current ISP was created in 1996; industry practice is to update the ISP every five years	Publish Information Strategy Plan with the endorsement of senior management	250 000	End 2004
<b>TOTAL</b>			<b>19 220 605</b>	

## ONE-TIME NON-RECURRING REQUEST

### Financial Management Strengthening

147. Non-recurring items covered under this section are financial strengthening of country offices, amounting to US\$5.7 million, performance measurement equipment for results-based management, amounting to US\$4.1 million, and US\$10 million for security upgrades for WFP's offices. Details and justification are provided below.
148. In the context of increasing levels and values for WFP's operations and associated financial balances, decentralization, and comments expressed by members of the Board, WFP is launching an initiative to strengthen the financial management function significantly throughout the organization.





149. The following aspects of this initiative are included in the regular PSA budget proposal:
- a) **strengthening corporate financial analysis and field support** through the creation of a Financial Analysis and Review Branch (FSR) and upgrading the current Field Support Branch (FSF);
  - b) **enhancing the financial competence and effectiveness** of financial experts through the provision of focused training for WFP finance officers;
  - c) **increasing the financial management expertise** of managers throughout the organization through the provision of training, leading to:
    - i) a clearer definition of financial responsibilities, procedures and guidelines; and
    - ii) improved financial reporting for decision-making purposes.
150. In addition, the Programme must provide a more appropriate level of **qualified financial experts** in regional and country offices. This is needed to:
- a) increase the financial accountability and autonomy of field offices;
  - b) enhance the ability of country and regional offices to control resources; and
  - c) ensure more efficient and effective resource utilization.
151. This will involve reinforcing the financial expertise of these offices through the targeted deployment of additional Finance Officers (national and international).
152. Based on a review of size, risk profile, complexity and workload of all country offices, initial indications are that the following additional staff would be required to provide the required infrastructure of financial expertise:

<b>TABLE 47: REQUIRED INFRASTRUCTURE OF FINANCIAL EXPERTISE</b>			
	<b>Regional bureaux</b>	<b>Country offices</b>	<b>TOTAL</b>
Additional national officers	6	46	<b>52</b>
Additional international officers	0	14	<b>14</b>
Total number of staff			<b>60</b>
Total staff costs (US\$ million)			<b>5.67</b>
Non-staff costs (US\$ million)	0.07	–	<b>0.07</b>

153. The budgeted cost of this is US\$5.7 million. It is proposed that these costs be covered in the first biennium as a one-off investment in capacity-building. It is intended that in future biennia this investment would prove to be self-financing through improved efficiency in resource usage.

## **RESULTS-BASED MANAGEMENT**

154. The experience of the past three years has demonstrated that inadequate funding, lack of appropriate information technology and limited staff capacity have hampered the implementation of the results-based management approach. Putting in place a worthwhile RBM system and making it sustainable requires significant investment in staff buy-in, data collection and information technology resources.



155. To meet these challenges, the Programme proposes an allocation of US\$4,134,400 as a one-time investment to cover the start-up costs of institutionalizing RBM throughout the organization during the biennium. The one-time funding will cover the costs of:

- ◇ establishing a performance measurement information systems with connectivity to field offices (country offices and regional bureaux);
- ◇ carrying out baseline surveys and studies in 60 countries;
- ◇ training managers, staff and counterparts in WFP's RBM approach; and
- ◇ improving performance planning, and reporting.

156. Details of the budget allocation for the one-time funding for specific initiatives are shown in Table 48:

<b>TABLE 48: SPECIFIC BUDGET ALLOCATIONS</b>	
<b>Description</b>	<b>Amount (US\$)</b>
Establishing performance measurement information systems	1 000 600
Baseline surveys and studies	1 776 000
RBM training programme	1 237 800
Improving performance planning and reporting	120 000
<b>TOTAL</b>	<b>4 134 400</b>

## **SECURITY UPGRADES**

157. The Executive Director proposes that a security upgrade contingency fund of US\$10 million from the remaining surplus in the General Fund be set aside to begin addressing the security needs of the organization worldwide. In light of recent events in Iraq, UNSECOORD and WFP are reassessing the security risks in all of their operations. They intend to upgrade security as necessary to adequately protect staff in the field. As that security assessment has not been completed in time for full inclusion in this budget, the Secretariat will provide a complete security report to the Executive Board once the assessment is completed. If the security needs require more than the US\$10 million set aside in the contingency fund, the Secretariat will request a revision to that fund in order to bring it to the appropriate level.

## **STATUTORY REQUIREMENTS**

158. Items under this sub-section include the costs of the External Auditor and WFP's contributions to other United Nations and related organizations, including the United Nations common premises.

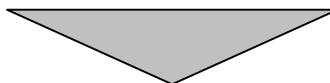
159. Table 49 shows how the projected requirements for this category compare with 2000–2001 actual and 2002–2003 estimated requirements.



<b>TABLE 49: STATUTORY REQUIREMENTS</b>			
	<b>2000–2001 actual</b>	<b>2002–2003 estimated</b>	<b>2004–2005 projected</b>
	<b>(US\$ thousand)</b>		
External Audit	300	432	244
Contributions to other	3 384	4 253	2 393
United Nations organizations and United Nations Common House			
<b>TOTAL</b>	<b>3 684</b>	<b>4 685</b>	<b>2 637</b>



## MANAGEMENT PRIORITIES, EXPECTED RESULTS AND PERFORMANCE INDICATORS



160. The following nine management priorities address the weaknesses identified in the Strategic Plan and thereby strengthen operational effectiveness and increase organizational capacity.

MP1)	Strengthening Partnerships
MP2)	Human Resources Management
MP3)	Results-Based Management and Reporting
MP4)	Strengthening WFP's Knowledge Base
MP5)	Strengthening Operational Support
MP6)	Business Process Review
MP7)	Increased Transparency and Accountability
MP8)	Communication and Advocacy
MP9)	Increased Resources for Increased Needs

### MP1) STRENGTHENING PARTNERSHIPS

#### MAIN FOCUS

161. **Dialogue in support of PRSPs.** PRSPs are meant to provide the framework for national efforts to achieve the MDGs. However, many of them include no food security or nutrition strategy, perhaps because these are cross-sectoral issues. In the national dialogue leading to a PRSP, WFP should underline the importance of including a coherent set of measures to fight hunger, and should remind the relevant players of the connections between hunger and other MDGs. An informal survey of WFP country offices showed significant differences in their access and contribution to the dialogue. Participation in the dialogue is very important, but is time-consuming and difficult to balance against operational needs, especially for a small office. WFP will assign a senior manager to: (i) work with country offices where a PRSP process is under way; (ii) on the basis of this experience, develop guidance and materials to assist country offices; (iii) make recommendations about any further support needed from regional bureaux or headquarters; (iv) provide advice on whether and how small country offices, in particular, can participate; and (iv) analyse the evolving implications of sector-wide approaches (SWAPs) for WFP.



162. **Strengthening of collaboration with other United Nations agencies, partners and NGOs.** WFP continues its efforts to further enhance collaboration and consolidate strong partnership with other United Nations agencies, NGOs and other partners.

## **MP2) HUMAN RESOURCES MANAGEMENT**

### **MAIN FOCUS**

163. The need to respond rapidly to crises requires not only staff with sufficiently flexible skills to function in many different and difficult environments, but also the mechanisms to identify and obtain the competencies required by the Programme. To address this need, the Programme's Human Resources Division has embarked on a major review to develop and establish a high-level strategy for the management of human resources. To meet the current demands placed on the Programme, WFP must have staff with skills in nutrition, HIV/AIDS, gender analysis, school feeding, advocacy, vulnerability analysis, needs assessment, contingency planning, and monitoring and evaluation. WFP needs to strengthen and update management skills in line with a results-based approach. Responding effectively to crises and identifying long-term human resource needs calls for an approach for forecasting staffing requirements and assessing staff competencies. The creation of a competency framework that is integrated into recruitment, performance management, training, and career development practices is essential. Also essential is a system for capturing and analysing the strength and competencies of the workforce.
164. The recruitment and staffing process and internal training programmes must achieve a balance between meeting longer-term needs and short-term exigencies. Initial short-term recruitment using varied contractual mechanisms will enable WFP to better meet immediate staffing needs while identifying those individuals who fit the requirements for long-term employment.
165. Mobility is a key issue that requires balance in WFP's need for continuity and stability of operations, equity in assignments, and opportunities for staff to achieve equilibrium between work and private life. WFP will review its approach to reassignment and mobility while considering the impact on core values such as gender balance, geographical distribution and fulfilment of its mandate anywhere in the world.

## **MP3) RESULTS-BASED MANAGEMENT AND REPORTING**

### **MAIN FOCUS**

166. Collection of baseline information and ensure that corporate and project targets are clearly established;
167. Institutional capacity to monitor progress is strengthened, and corporate reports are timely and accurate, and reflect outcome-level results;
168. Streamlining monitoring and reporting practices;
169. Focus (by OEDE) on thematic, policy and other issues of particular corporate importance, and on evaluations of some of the largest operations; OEDE will bring its plan of work into line with the reality that humanitarian assistance accounts for the majority of WFP assistance.



## **MP4) STRENGTHENING WFP'S KNOWLEDGE BASE**

### **MAIN FOCUS**

- 170. Improved monitoring and evaluation will contribute a great deal to the generation of information to improve decision-making. Another critical step to improve WFP's knowledge base will be the improvement of its needs assessments.
- 171. WFP will work with partners to refine assessment techniques and build comparability between its food needs assessments and those of other organizations.
- 172. WFP is continuously refining its VAM. Building on analytical frameworks developed by UNICEF, FIVIMS, DFID and the World Bank, VAM is integrating information concerning nutrition, livelihoods and risk into its assessments. The VAM Unit will also build into its analytical approach increased attention to gender analysis.
- 173. WFP will enhance its capacity for early identification of impending crises through the global monitoring of potential natural hazards and complex emergencies and the piloting of new early warning planning tools.

## **MP5) STRENGTHENING OPERATIONAL SUPPORT**

### **MAIN FOCUS**

- 174. WFP's capacity to respond to crisis while maintaining ongoing operations depends on the support functions carried out by technical services. In response to emergencies in day-to-day operational support in a decentralized system, strengthening these support services will be crucial to ensuring WFP's capacity to meet the challenges posed during this Strategic Plan period.
- 175. At the onset of an emergency, WFP's priority is to secure an immediate and adequate food-aid supply chain—the food pipeline. This urgent task involves WFP's key technical services of emergency preparedness, transport, logistics and procurement. The efficiency and effectiveness of these services are crucial to WFP's capacity to scale up operations at the onset of an emergency while maintaining support to other operations. In addition the Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST), a group of highly qualified TC/IT engineers, is available for rapid deployment to provide support in an emergency. In recent years, the creation of emergency response capacity has relied on the generous support of donors through extra-budgetary resources and stand-by partners. During the Strategic Plan period, services that require strengthening, such as early warning, needs assessments and aviation safety, will be mainstreamed into support budgets, while stand-by arrangements will continue to provide an essential extra-budgetary resource for rapid response.

## **MP6) BUSINESS PROCESS REVIEW**

### **MAIN FOCUS**

- 176. WFP needs to ensure that its business processes support an effective and efficient response to the potential increase in crisis needs. In addition, the Programme must support decentralized decision-making and management of operations. A comprehensive review of WFP's business processes is being carried out; its primary objective will be to maximize efficiency in WFP's use of contributions so that the Programme improves the efficiency of



its activities, thereby optimizing cash balances. Recommendations from the review will be fed into WFP's Financial Policy Framework and the work of the RBM Division.

177. Areas to be examined include improving programme financial monitoring at the country-office level, improving programme budgeting techniques, streamlining project budget management, improving management of advance facilities, and providing systems to eliminate and avoid unspent programme balances.
178. In addition, with the Executive Board, WFP will explore alternative models for financing its operations. Increasingly, the Programme is exposed to a major risk of underpreparedness for new emergencies, simply because it lacks the optimal financing mechanism to ensure sufficient upfront financing to support rapid response actions. The level of funds it receives upfront and untied is too low, the immediate response account (IRA) is too small, and the operational reserve is accessible only when a donor has confirmed a pledge in writing. This creates a risk that beneficiaries will not receive help soon enough because financing mechanisms for rapid emergency response are inadequate.

## **MP7) INCREASED TRANSPARENCY AND ACCOUNTABILITY**

### **MAIN FOCUS**

#### **Budgeting and Financial Management**

179. The Strategic Plan period will be a time of self-analysis, learning and adjustment for WFP, as budgetary measures are implemented to maximize efficiency. This will mean the continuous monitoring, evaluation and adjustment of budgets to ensure progress towards achieving strategic goals. There will be continued emphasis on access to the information needed to take management decisions that affect budgetary performance.
180. The roll-out of WINGS systems to the majority of WFP country offices will be completed by December 2003. The new systems support a decentralized environment and allow operational managers to assume full responsibility for financial management. The financial management strategy foresees the optimal use of available resources through decision-making by managers based on up-to-date financial information and reports.
181. In support of the intention to increase managers' financial responsibilities, a training programme on all aspects of financial management will be delivered. This will increase managers' accountability and their ability to ensure efficient utilization of resources. Decentralized financial management will be supported by qualified financial staff working in field offices and by a repository of financial policies, procedures and guidelines in electronic form, with cross-references to operational and administrative manuals. In addition, WFP will need to upgrade the level of financial expertise in the field during the biennium.
182. At its Annual Session in 2003, the Executive Board approved utilization of the capital asset fund (CAF) for funding significant one-time expenditures. It is the intention of management to use this fund to strengthen capacity in a number of important areas.
183. During the Strategic Plan period, increasing emphasis will be placed on control and analysis of financial data in managing financial risk. WFP will continue to adopt best practices in cash management, contribution management and financial reporting. Finally, WFP will continue to work closely with United Nations Funds and Programmes to harmonize financial practices, modalities and reporting.
184. Furthermore, the Financial Policy Framework will be reviewed on an ongoing basis as part of the strategic and management planning processes.



## Oversight

185. A strengthened capacity for oversight will ensure transparency and accountability in WFP's operations. The Office of Oversight Services (OEDO) will use a more proactive and preventive approach so that resources are used effectively and efficiently, adequate controls are in place and there is compliance with WFP rules and regulations. A paper entitled, "Best Practices in Oversight Mechanisms", presented for consideration to this Executive Board session, provides more details particularly on risk management. Throughout the Strategic Plan period the following new initiatives will be implemented:

- ◇ increased oversight coverage of WFP activities in field offices and HQ;
- ◇ Control Risk Self Assessment (CRSA) workshops in field offices and Headquarter units;
- ◇ update/preparation of audit and investigation manuals and implement automated work practices; and
- ◇ promotion of organizational integrity initiatives in line with those promoted in the United Nation system, including strengthened reporting mechanisms.

## MP8) COMMUNICATION AND ADVOCACY

### MAIN FOCUS

186. WFP is not well known outside government and NGO circles; more widespread media awareness of its mission has only surfaced in the last five years. Compared with other major humanitarian and development agencies, WFP's investments in public information and advocacy have been the lowest, both in absolute terms and as a percentage of expenditures.

187. The Programme contracted with the largest international communications firm in the world, OMNICOM, and its subsidiary BBDO to look at ways of establishing a stronger public image for WFP, which will facilitate fund-raising and draw greater attention to the current slow progress in reducing the number of chronically undernourished people worldwide. The OMNICOM recommendations will help to shape WFP's external communications strategy.

188. While evaluating the OMNICOM recommendations, WFP will:

- ◇ build on the public awareness and advocacy aspects of relationships established with several private-sector entities (Benetton, SAP, TPG and BCG);
- ◇ target information about WFP, food aid and the fight against hunger to selected opinion-makers in major donor countries;
- ◇ increase the number of public information officers in key locations, beginning with an additional post in Nairobi and one each in London, Paris and Berlin; and
- ◇ produce publications in the languages of major donor countries.

189. In addition, an expanded publications programme will target the academic and donor communities and will cover a broad range of hunger-related issues.





## MP9) INCREASED RESOURCES FOR INCREASED NEEDS

### MAIN FOCUS

190. More resources, not fewer, are likely to be needed in coming years. Historically, WFP has financed only 90 percent of approved programmes annually. More donors need to be involved in meeting the expected increase in needs and in evening out the burden in meeting them. To maximize the volume of resources available to its beneficiaries, WFP must find ways of accepting all reasonable offers of the commodities, goods and services needed for its operations, and must do so in ways that meet full-cost recovery. WFP's resource strategy needs to be supported by a policy framework that helps emerging donors to give and encourages new or sporadic donors to become regular contributors.
191. WFP's resource strategy needs to:
- ◇ improve the distribution of support across traditional donors and increase the efficiency of using contributions;
  - ◇ encourage emerging donors;
  - ◇ engage the private sector; and
  - ◇ be smarter: leverage.
192. Resource mobilization efforts will be strengthened in **traditional donor** countries through:
- ◇ discussions aimed at understanding their ODA priorities, and how these are related to WFP's activities;
  - ◇ timely and better reporting of results achieved;
  - ◇ close monitoring of the utilization of donor resources and promoting multilateral contributions to maximize the efficiency of resources; and
  - ◇ a communication strategy targeted at decision-makers, opinion leaders and taxpayers.
193. Every Member State is a stakeholder in WFP, and should contribute to WFP's work according to its means. The potential commodity contributions from emerging donors are significant, yet many countries face difficulties in matching in-kind resources with the cash for full-cost recovery. WFP needs to explore ways of encouraging these donors and accepting their contributions, while still meeting full-cost recovery by:
- ◇ forging relationships with the national leaders responsible for resource allocation and foreign affairs, and understanding their political concerns; and
  - ◇ finding ways to effect countries' transition from recipient to donor status.
194. Other agencies started to engage the **private sector** far earlier than WFP did; notably, UNICEF now raises more than 30 percent of its resources from private donations. The Programme will seek to match what it needs to support its operations with what the private sector can provide, taking care that the integrity of its public tendering process is not compromised.
195. Corporations will be WFP's primary target within the private sector. WFP's partnership with TPG, a corporation based in the Netherlands, can serve as a guide to future partnerships. WFP will seek a dozen or so such corporate partnerships over the next five years, working to obtain both funds and services or non-food resources that could benefit its operations. There are a number of ways in which partnerships of this kind can



help to make WFP a more effective organization. For example, the Boston Consulting Group, is providing consulting services on a pro bono basis to WFP's business process review.

196. WFP will also need to explore ways of engaging with private charitable foundations and with individuals. The Programme will assess the potential costs and benefits of embarking on private, non-corporate fund-raising, taking into account the activities of NGOs.
197. These and other issues related to partnerships with the private sector will be the focus of consultation with the membership, leading to preparation of a policy paper for Executive Board decision.
198. As WFP expands its resource base beyond the traditional donors, existing approaches will need to be adapted and new ones introduced. The key will be to use cash donations to **leverage** commodity contributions from emerging donors. Leveraging achieves two objectives: it multiplies the impact of a cash donation in terms of the amount of food that can be delivered to beneficiaries, and it maximizes the use of available resources by enabling less well-off countries to contribute what they have.
199. Mechanisms to put leveraging into practice could include:
  - ◇ cash donors "twinning" their cash with commodity contributions from emerging donors;
  - ◇ using cash donations to purchase food from emerging donors, where such a transaction meets the tests of timeliness of delivery, quality of product and cost competitiveness;
  - ◇ creating a fund or other financial facility whereby cash donations could be pooled and matched with the commodity contributions of emerging donors; and
  - ◇ using private-sector donations to leverage commodity contributions from emerging donors.
200. There are, of course, several matters that require clearer definition and the agreement of the WFP membership. These include revisiting the definitions of traditional and emerging donors and the period over which an emerging donor is eligible for special measures to ensure that full-cost recovery is met. Table 50 provides an overview of the management priorities, the weaknesses they aim to address, the division/unit responsible, and the estimated budget. Further details are available in the following sections.



**TABLE 50: MANAGEMENT PRIORITIES AND WEAKNESSES**

Management priority		Focus will include addressing the following weaknesses:	Department	Management priorities budget (US\$ million)
MP1	Strengthening partnerships	Opportunities to use food aid as part of a broader package of assistance largely depends on operating partners, and leave WFP only partially able to control and be accountable for results	OD/PED	14.9
MP2	Human resources management	WFP needs to implement a comprehensive strategic human resources plan	AD	20.4
MP3	Results-based management and reporting	Progress toward results-based management has been slow, and improvements in reporting are needed	OED & OD	10.8
MP4	Strengthening WFP's knowledge base	Needs assessments require improvement	OD & PED	44.9
MP5	Strengthening operational support	Much of WFP's ability to improve its capacity and the quality of its programming has been dependent on extra-budgetary resources	OD, AD, PED	98.5
MP6	Business Process Review	Weaknesses in business processes and inadequate mechanisms for "up-front" funding have led to inflexibility and operational problems	OED	5.0
MP7	Increased transparency and accountability	Slow roll-out of the WFP Information Network and Global System (WINGS) to country offices delayed the full benefits of decentralized financial management	AD, OED, OD	25.5
MP8	Communication and advocacy	Resource mobilization has been hindered because WFP is not well known to the public in donor countries	FCD & PED	27.1
MP9	Increased resources for increased needs	WFP is overly dependent on a few donors. The current full cost recovery policy has hindered emerging donors from contributing	FCD	24.4
<b>Total</b>				<b>271.5</b>





**RESULTS BY ORGANIZATIONAL UNIT**  
**PROGRAMME SUPPORT: REGIONAL BUREAUX**



## ASIA REGIONAL BUREAU (ODB)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ The bureau will provide administrative, technical and operational support to 11 country offices to ensure that operations achieve the expected results under each strategic priority. Mainly the bureau's work will be in strengthening WFP's knowledge base and operational support.

### CHALLENGES FOR 2004–2005

- ⇒ Being capable of responding to one or more large-scale humanitarian emergencies while at the same time effectively addressing the food aid needs of the chronically hungry and poor in Asia.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are:

i.	good leadership and competent advisory and technical services from the regional bureau in support of well-funded operations that are in line with the strategic and management priorities of WFP;
ii.	maximum level of resources and response to food-insecure populations based on well-designed food aid programmes;
iii.	strong and cost-efficient performance of operations in the region serviced by project and pipeline management (including COMPAS), logistics and procurement functions of the bureau;
iv.	demonstration of good budgeting practices, financial and administrative management in the country offices and the bureau;
v.	motivating and caring human resource management practised in the country offices and the bureau; and
vi.	achievement and maintenance of high standards in information management and telecommunications systems in the country offices and the bureau, which effectively supports all business areas of WFP.



**TABLE 51: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Country offices have clear and effective medium-term food aid strategies and interventions that fully accord with WFP's strategic and management directions for the 2004–2007 cycle; maintain high standards of management practices in the execution of operational activities and in the internal administration of offices (in accordance with WFP's established procedures).	Feedback and follow-up on all positive and negative findings related to operations, adherence to operational plans, corporate and strategic directions, and internal administration of offices, including the management of resources derived from periodic strategic/management reviews undertaken by Regional Director and Deputy Regional Director to each country office; desired remedial action taken against any negative findings
2. Country Programmes, PRROs and EMOPs are well designed and well-funded.	Number of approved programmes/projects with sound design; level of funding received from donors against requirement
3. Operations run smoothly and enjoy excellent support in the areas of logistics, procurement, pipeline and project resource management.	Numbers/percentages of operations without pipeline breaks; procurement problems; appropriate level of DOC/DSC/ITSH funding
4. High standards of budgetary, financial and administrative management capacity developed in country offices.	Number of audit and pre-audit observations acted upon within 90 days; number of country offices fully subscribing to WFP business principles in the areas of budget, finance and administrative management

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 52: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	6 108
Other	1 142
<b>Total</b>	<b>7 250</b>
Staff count	38



## **MEDITERRANEAN, MIDDLE EAST AND CENTRAL ASIA REGIONAL BUREAU (ODC)**

### **LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE**

- ⇒ ODC aims to support 15 country offices to enable high-level quality in programme planning, design, implementation, management, monitoring and reporting, in accordance with the principles of result-based management. ODC will be prepared to respond rapidly to emergencies in this highly volatile region.

### **CHALLENGES FOR 2004–2005**

- ⇒ The main challenges for ODC are: the volatility of the security situation, political instability and civil unrest, which can cause the eruption of large-scale emergencies (North Africa, Middle East, Central Asia and Europe). ODC needs to strengthen its staff capacity to support country offices in vulnerability assessment, the development of early-warning and contingency plans, design, training and implementation. Project and office closures present technical and administrative challenges in terms of a phase-out strategy, and developing capacities for governments and counterparts for ownership of projects after WFP leaves.

### **OBJECTIVES FOR 2004–2005**

- ⇒ The objectives for 2004–2005 are:

i.	excellence in WFP operations;
ii.	excellence in targeting the hungry poor and enhancement of food security knowledge base in ODC countries;
iii.	provision of excellent technical support in ICT activities and food deliveries to all the beneficiaries in a cost-effective manner; ensurance of highest level of performance, transparency and accountability for the entire food supply chain to bureau and country offices;
iv.	excellence in providing support to bureaux and country offices in HR, Financial Management and Administration services;
v.	enhancement of regional advocacy and resource mobilization; and
vi.	ensurance of smooth transition of ODR activities into ODC during January–June 2004.





TABLE 53: EXPECTED RESULTS* AND INDICATORS	
Results	Performance indicators
1. <ul style="list-style-type: none"> <li>a) Sound country programmes are designed, prepared, implemented and monitored, and the RBM approach is adopted throughout the programme cycle</li> <li>b) Needs in the region are adequately assessed in order that appropriate interventions may be designed and ongoing support adjusted</li> </ul>	<ul style="list-style-type: none"> <li>◇ Percentage of projects that are RBM compliant</li> <li>◇ Average number of staff days expended for JFAMs</li> <li>◇ Average turn-around time from project design to approval (days)</li> <li>◇ Percentage of project documents that incorporate all Commitments to Women</li> <li>◇ Number of funding proposals developed/approved</li> <li>◇ Total cost of ISP-funded consultancies/training as percentage of total training and consultancy budget</li> <li>◇ Number of reports providing feedback submitted to country offices</li> <li>◇ Average response time for distributing food aid (from completion of needs assessment to first day of food distribution) for all project categories</li> <li>◇ Average cost of beneficiary fed 2,100 kcal per day</li> </ul>
2. Efficient logistics chain, including staff management, is ensured	<ul style="list-style-type: none"> <li>◇ Average lead time taken from needs assessment to day of first food delivery</li> <li>◇ Percentage of projects in the bureaux that reported commodity losses of over 2 percent</li> <li>◇ Percentage variance between estimated and actual LTSH rate</li> <li>◇ Average cost of food delivered (US\$/mt)</li> <li>◇ Percentage of country offices that have COMPAS established and that are fully functioning</li> <li>◇ Percentage of logistics staffing in the region with appropriate terms of reference</li> </ul>
3. Sufficient ICT capacity is established in country offices	<ul style="list-style-type: none"> <li>◇ WINGS and Intranet connectivity have an annual downtime of less than 2 percent</li> </ul>
4. Ensure that funds are available and WFP financial rules and regulations are complied with sound technical advice/guidance that is provided, and that a high standard of HR capacity is established	<ul style="list-style-type: none"> <li>◇ Percentage change in audit observations and findings</li> <li>◇ Percentage of audit recommendations for country offices followed</li> <li>◇ Number of days closing financial operations is delayed</li> <li>◇ Turnover rate due to poor performance</li> <li>◇ Number of staff hours of training</li> </ul>
5. Enhance regional advocacy and resource mobilization through dissemination of information and capacity building at the country-office level	<ul style="list-style-type: none"> <li>◇ Number of conference papers presented and policy papers and needs assessments/appeals shared</li> <li>◇ Number of TV interviews given, press releases issued, editorials published, annual reports published, brochures published</li> <li>◇ Savings achieved (US\$) due to expanded networking with partners</li> <li>◇ Total amount of funds raised due to regional bureau and country office advocacy and fund-raising activities (US\$)</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

TABLE 54: RESOURCE REQUIREMENTS, 2004-2005	
	Total (US\$ thousand)
PSA	8 365
Other	1 319
<b>Total</b>	<b>9 684</b>
Staff count	52.1



## WEST AFRICA REGIONAL BUREAU (ODD)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ ODD provides guidance and technical advice to 18 countries in the region. This contributes to saving lives and preserving the livelihoods of 7.7 million beneficiaries every year through the delivery of 527,000 metric tons, for a total value of US\$307 million in the biennium.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are:
- ◇ implementation of the Alliance for School Feeding—an initiative in 9 Sahelian countries that could be replicated elsewhere;
  - ◇ stronger involvement in HIV/AIDS-related joint programme;
  - ◇ greater participation in resource mobilization and broadening of the donor base;
  - ◇ improvement of technical knowledge and hence capacity of staff to meet evolving WFP business processes; and
  - ◇ maintenance of high-quality programmes in small country offices with limited staff.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives are:

i.	effective guidance and support to country offices for qualitative programmes and emergency operations in the region;
ii.	improved knowledge base on food-security-related issues, VAM, emergency preparedness, and management of resources;
iii.	enhancement of overall programming quality through better M&E and reporting;
iv.	deployment of systems (WINGS, COMPAS, etc.) and training on WFP business processes and changes; and
v.	full technical support to country offices in finance, administration, ICT, logistics management and effective running of the bureau.



<b>TABLE 55: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Adequate support to WFP interventions (i.e., EMOPs, PRROs and development projects) ensured by efficient guidance of country offices and in line with general target figures 7.7 million beneficiaries and 527,000 mt of food deliveries per year)	<ul style="list-style-type: none"> <li>◇ Number, gender and geographical distribution of beneficiaries, by intervention</li> <li>◇ Quantity and quality and geographical distribution of food commodities delivered, by intervention</li> </ul>
2. The implementation of ODD country interventions and resource mobilization is strengthened by better-targeted programmes and a well-conceived reporting system	<ul style="list-style-type: none"> <li>◇ Periodic updates of contingency plans and vulnerability analysis in line with ODD country requirements</li> <li>◇ The number, content and timing of documents (SPRs, inputs for Yellow Pages, Blue Book, Annual Report and other ad hoc briefs)</li> </ul>
3. An M&E system based on the logical framework planning (LFP) methodology permits efficient execution of WFP interventions	<ul style="list-style-type: none"> <li>◇ Number and content of LFP matrixes, by country office</li> <li>◇ Structure and content of the M&amp;E system, by country office</li> <li>◇ Number, content and geographical distribution of training sessions</li> <li>◇ Number/gender/origin and geographical distribution of participants in training sessions</li> </ul>
4. Systems and Applications deployed. Training sessions on all functional areas held. Knowledge on project funding, closing of projects and budget performance measured. Control mechanism in place for monitoring HR issues	<ul style="list-style-type: none"> <li>◇ At least 8 country offices operational with minimum reliance on regional bureau, and 200 WFP staff members trained in the use of applications and systems. Monthly, quarterly and bi-annual reports on project funding, budget performance and HR monitoring</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 56: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	8 219
Other	1 307
<b>Total</b>	<b>9 526</b>
Staff count	45



## CENTRAL AFRICA REGIONAL OFFICE (ODDY)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ ODDY regional office provides advice and technical services to operations in six countries, with a primary focus on basic education, representing approximately 40 percent of overall distributions. ODDY ensures timely delivery of food to all operations in the region.

### CHALLENGES FOR 2004–2005

- ⇒ The region is typified by low tonnage and complex programmes in difficult political, economic and social contexts. The political situation is volatile in a number of ODDY countries, so emergency response capacity is critical to saving lives. Ongoing humanitarian interventions may need to be scaled up. As the prevalence of HIV/AIDS is very high in the region, ODDY will take the lead in establishing a knowledge base and piloting a regional intervention. WFP interventions in the region are critical to enhancing basic education, in particular for girls, addressing nutritional needs of the vulnerable, such as HIV/AIDS-affected people, supporting disaster-prevention actions, and saving lives.
- ⇒ In view of this situation, the major challenge is to raise international community interest by quality interventions with minimum staffing resources at the country-office level. Specific challenges for this biennium include:
- ◇ implementing a regional HIV/AIDS programme;
  - ◇ establishing baselines in education and nutrition, and undertaking VAM studies; and
  - ◇ setting up a WFP liaison office in Nigeria, if developments justify it.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives are:

i.	Enhance management excellence: effective communication and advocacy; contribution to the mobilization of resources; broadening of WFP donor base; building of strategic partnerships with governments/decision-makers; NGOs and United Nations agencies with a focus on HIV/AIDS activities; provision of technical support to country offices and management of Human Resources.
ii.	Programme excellence by reinforced knowledge base, programme design and management, provision of technical support in contingency planning where WFP is not present, use of VAM, EFNA, appraisals, evaluations and logistics.
iii.	Manage budget, finance, administrative and ICT functions in the regional office and provide guidance and support.
iv.	Ensure timely and cost-effective food aid deliveries to feed 1.2 million identified hungry poor in the region and all people targeted in the EMOPs.
v.	Provide effective guidance, support and training to ODDY country offices relating to ongoing and new management systems and tools (WINGS).



	COMPAS, COAGSAPInt).
vi.	Apply RBM by systematic use of a logical framework at the planning stages and implement result-oriented M&E. Ensure qualitative reporting at outcome/output levels. Ensure gender-disaggregated data collection at all levels.

TABLE 57: EXPECTED RESULTS\* AND INDICATORS

Results	Performance indicators
1. Improved guidance on strategic orientation, leadership, technical and administrative support provided to country offices	<ul style="list-style-type: none"> <li>◇ Percentage of country offices that have MAPs completed</li> <li>◇ Percentage of country offices in the region that have an active advocacy strategy</li> <li>◇ Percentage of EMOPs and PRROs that are 80 percent funded</li> <li>◇ Percentage of development programmes that are 100 percent funded</li> <li>◇ Percentage of country offices that have at least 35 percent staff members</li> <li>◇ Percentage of staff who have received SAP training</li> </ul>
2. Improved needs assessment and enhanced programme and project design, implementation and performance reporting through the application of RBM approach	<ul style="list-style-type: none"> <li>◇ Percentage of projects that are RBM compliant (i.e. incorporated logframes)</li> <li>◇ Average number of staff days expended on joint food assessment missions (JFAMs)</li> <li>◇ Number of beneficiaries assisted by project category</li> </ul>
3. Improved budgeting, financial management and reporting reduce audit observations and ensure that cash-flow projections meet financial obligations in a timely manner and within approved budgets.	<ul style="list-style-type: none"> <li>◇ Percentage of audit recommendations adopted and queries responded</li> <li>◇ Percentage of financial obligations due that remain unpaid</li> <li>◇ Unspent balance on funds as percentage of total funding received</li> </ul>
4. Improved information systems and COMPAS connectivity, and ICT support services that ensure effective information management, timely communication, and reporting on food losses and programme/project results, by country office	<ul style="list-style-type: none"> <li>◇ Average annual WINGS and Intranet connectivity downtime</li> <li>◇ Percentage of projects in the region that reported commodity losses of over 2 percent</li> </ul>
5. Timely and cost-effective food aid deliveries to beneficiaries in region through improved pipeline coordination, improved logistics and contract management, fund management and fund utilization	<ul style="list-style-type: none"> <li>◇ Average duration of pipeline-breaks (days)</li> <li>◇ Percentage variance between estimated and actual LTSH rate</li> <li>◇ Average cost per mt of food delivered</li> <li>◇ Average project turn around time in days from project design to approval</li> <li>◇ Average response time in days for distributing food aid, from completion of needs assessment to first day of food distribution, for all project categories</li> <li>◇ Average cost per beneficiary fed</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

TABLE 58: RESOURCE REQUIREMENTS, 2004-2005	
	Total (US\$ thousand)
PSA	2 975
Other	565
<b>Total</b>	<b>3 540</b>
Staff count	23.5



## SOUTHERN AFRICA REGIONAL BUREAU (ODJ)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ ODJ will provide technical and operational guidance to nine countries in the region in support of all four strategic priorities through expert consultations, training, systems development and implementation. Management priorities focus on normative, technical, operational and best practices support and guidance.

### CHALLENGES FOR 2004–2005

- ⇒ The main challenges will be related to moving from primary support for the regional EMOP to sustained support to all nine ODJ countries; the bureau will need to increase its capacity to provide assistance and guidance. Another challenge will be maintaining inter-agency presence through the Regional Inter-Agency Coordination Support Office (RIACSO).

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives are to:

i.	provide operational and technical support to country offices to promote programme excellence;
ii.	provide technical assistance and operational services to country offices in pipeline management, procurement and logistics to promote best practices in managing regional food resources;
iii.	install the latest WFP corporate systems to ensure efficiency in using resources, tracking commodities and facilitating the flow of information;
iv.	provide technical assistance in human-resource management, administration, finance and security, and provide associated support services to country offices to promote excellence in internal management;
v.	contribute to a stable and increased resource base through regional public information and advocacy, effective reporting and responsiveness to stakeholders' requests for information and consultation; and
vi.	pursue regional strategies in support of corporate priorities in partnership with stakeholders.



<b>TABLE 59: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Develop and implement a regional PRRO with an HIV/AIDS focus. Targeted activities will incorporate a response to people affected and infected by HIV/AIDS.	A PRRO that responds to the needs of people affected and infected by HIV/AIDS through targeted food assistance.
2. Technical capacity to meet corporate objectives: connectivity, ensuring that all ODJ countries are WINGS live with COMPAS and M&E systems for a results-based environment and capacity to produce all corporate reports.	All country offices are WINGS live and competent; COMPAS is fully functional, M&E systems are in place in country offices, ensuring that output, PDM and results are captured, and corporate reports are correctly completed on time.
3. Technical guidance to country offices in preparing project documents: CPDs, activity summaries, PRROs, EMOPs, SOs and UNDAF/CCA.	Documents submitted to PRCs meet quality requirements for rapid approval with minimal change.
4. New approaches to designing and implementing education and HIV/AIDS programmes.	New WFP benchmark standards implemented in design and implementation of education and HIV/AIDS programmes.
5. Innovative human resources and training policies and programmes.	Staff sensitization to HIV/AIDS, training on prevention of sexual exploitation and abuse and HIV/AIDS-awareness workshops.

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 60: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	7 777
Other	1 273
<b>Total</b>	<b>9 050</b>
Staff count	52.5



## **EAST AND CENTRAL AFRICA REGIONAL BUREAU (ODK)**

### **LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE**

- ⇒ The ODK bureau will support 12 countries, promoting excellence in compliance with RBM, strengthening WFP's involvement in regional and inter-agency initiatives, including the private sector, promoting efficient management through the Management Information System (MIS) and communication technologies, building core competencies and promoting diversity and transparency during recruitment and placement, and expanding donor support by attracting traditional and non-traditional donors.

### **CHALLENGES FOR 2004–2005**

- ⇒ Seven of the 12 countries are seriously affected by ongoing civil conflicts that have resulted in large-scale population displacements and protracted refugee operations. The region is subject to droughts, floods and volcanic eruptions; chronic structural under-development and poverty are evident everywhere. But donor funding is limited compared to the scale of operations. HIV/AIDS incidence is among the highest in the world; the impact on food security results in increased food-aid needs. ODK accounts for about 35 percent of global food aid tonnage and 60 percent of WFP's food aid to Africa. Current funding and staffing levels are a major constraint: ODK needs the capacity to improve support to country offices in analyzing hazards, providing early warning, developing contingency plans and designing and implementing interventions.

### **OBJECTIVES FOR 2004–2005**

- ⇒ ODK's objectives are to:

i.	support country offices in programme design, implementation and evaluation by means of regular assessments;
ii.	support country offices in strengthening M&E, VAM, EPP, CP and CAP capacities;
iii.	guide implementation of RBM and other approaches;
iv.	prioritize country office proposals and develop regional proposals for funding under ISP, the Programme Quality Improvement Group (PQIG) and other grants to improve programme quality;
v.	develop inputs to strategy and policy documents;
vi.	provide WINGS, COMPAS and DACOTA support to improve management of the pipeline, administration, logistics, procurement and finances; and
vii.	provide financial, ICT, administrative, procurement and human resources support services to ODK units.





<b>TABLE 61: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Management, administrative and reporting functions reflect RBM in programming cycles. Project documents are promptly reviewed and processed.	<ul style="list-style-type: none"> <li>◇ QMR, SPR, Blue Book and Yellow Book reports submitted on time.</li> <li>◇ Project documents processed according to timetable agreed with country offices and Headquarters.</li> </ul>
2. Programme documents approved and implemented on time. Efficient project implementation. Improved LTSH management. Cost efficiency of food and non-food purchases.	<ul style="list-style-type: none"> <li>◇ Number and type of missions in which regional bureau staff participate.</li> <li>◇ Number project documents reviewed and approved.</li> <li>◇ Number of ongoing projects.</li> <li>◇ Number of PRCs.</li> <li>◇ Projects implemented in compliance with WFP guidelines.</li> <li>◇ Quarterly LTSH expenditure analysis.</li> <li>◇ Six-monthly reviews of LTSH matrices for each project.</li> <li>◇ Change in volumes of food commodities purchased locally or regionally between 2003–2004 and 2004–2005.</li> </ul>
3. Country office programming capacities improved in M&E, VAM, EPP, C Plan, and CAP. Regional early-warning systems established.	<ul style="list-style-type: none"> <li>◇ Number of support and training missions on programming priorities.</li> <li>◇ Number of country programmes developed and updated.</li> <li>◇ Number of early warnings received and number of matrices completed.</li> <li>◇ Number of CAPs reviewed, with feedback.</li> <li>◇ Number of country offices with M&amp;E systems, VAM units, country programmes and CAPs supported by the regional bureau.</li> </ul>
4. Efficient service to ODK and country offices. Optimum utilization of systems.	<ul style="list-style-type: none"> <li>◇ Amount of training in priority areas.</li> <li>◇ Number of staff trained and able to demonstrate skills and knowledge.</li> <li>◇ Number of training reports indicating expected results and follow-up actions.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 62: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	8 776
Other	1 351
<b>Total</b>	<b>10 127</b>
Staff count	52



# LATIN AMERICA AND THE CARIBBEAN (ODPC) REGIONAL BUREAU

## LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ ODPC provides technical and operational guidance to 11 countries. Programmes are refocusing on improved response to nutritional problems and protection of livelihoods from the effects of shocks. Support to school feeding is a major undertaking, with emphasis on promoting government ownership of the programmes. Strengthened management is a top priority; RBM will be applied across the region.

## CHALLENGES FOR 2004–2005

- ⇒ A sharp decline in resources means that ODPC will be working hard to mobilize additional funds from traditional and non-traditional donors: at least US\$50 million can be raised to support programmes. To achieve this, the regional bureau and country offices will develop a communication and advocacy campaign and strengthen partnerships at regional and country level, contributing to realization of the MDGs.
- ⇒ The major challenge is ensuring that the needs of the region's hungry poor are met. Dealing with the political and administrative aspects of office closures is also a challenge, particularly in personnel terms; transferring technical expertise to national and local governments is a prerequisite for a smooth handover of WFP programmes. The auditors' recommendations must be addressed, country offices must be given the support they require and RBM must be introduced across the region.

## OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	support countries in achieving the hunger-eradication MDG by advocating inclusion of hunger and malnutrition in political and social agendas;
ii.	mobilize additional resources, particularly from non-traditional donors and the private sector;
iii.	improve programme design and implementation and comply with corporate regulations and cost-containment and timeliness requirements;
iv.	focus resources on countries with high levels of hunger and malnutrition, assisting vulnerable people to strengthen their livelihoods to overcome shocks, and support nutrition and school feeding activities;



v.	partner United Nations and international organizations in strengthening emergency preparedness and response capabilities; and
vi.	continue to build national capacities by providing technical services to governments in support of exit strategies and food-aid programme implementation.

<b>TABLE 63: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Increase funding by at least US\$50 million to support the hungry poor; advocate for achievement of the MDG and inclusion of hunger and malnutrition in political and social agendas.	◇ Amount of additional funding through WFP to assist the hungry poor.
2. Programmes and country offices managed according to corporate policies. Well informed country offices implement effective programmes. Audit concerns addressed; mechanisms in place to solve current problems.	◇ Number of programmes positively audited. Plan to address audit recommendations implemented.
3. Programmes reflect corporate policies in country and thematic concentration. Improved programme quality through technical support to country offices and implementation of RBM.	◇ Resources directed to the poorest countries to save lives in crises. ◇ Greater focus on nutrition, safety nets and livelihood enhancement. ◇ Continued assistance to the hungry poor upon WFP phase-out.
4. Country office emergency preparedness and response capabilities strengthened through training and partnership with United Nations and other agencies.	◇ Number of partnerships. ◇ Number of country offices trained in emergency preparedness and response. ◇ Number of updated regional and country contingency plans.
5. Capacity built through transfer of expertise to national actors in countries where WFP is phasing out. Agreements reached with two non-beneficiary countries for WFP to provide technical services.	◇ Number of governments using WFP technical services. ◇ Number of agreements signed.

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 64: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	6 169
Other	1 146
<b>Total</b>	<b>7 315</b>
Staff count	36





**RESULTS BY ORGANIZATIONAL UNIT**

**PROGRAMME SUPPORT: HEADQUARTERS**



## OFFICE OF THE ASSOCIATE DIRECTOR OF OPERATIONS (ODO)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ ODO will provide support, guidance and leadership to regional bureaux and country offices to ensure that operational objectives are met, and that programme excellence, quality requirements and standards are maintained.

### CHALLENGES FOR 2004–2005

- ⇒ The main challenges involve communications and information flow among the decentralized bureaux and country offices, humanitarian crises and continued calls on already severely stretched resources to meet requirements in countries such as Iraq and Afghanistan.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	provide leadership, guidance, supervision, human-resources management and improved communications with regional directors and Rome-based OD directors to ensure that objectives and strategic priorities are achieved;
ii.	provide programme and budgetary guidance and support for regional bureaux and country offices, and contribute to policy formulation; and
iii.	ensure prompt processing of project documents and budget revisions, and monitor and report on the progress of programme implementation.



<b>TABLE 65: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Need-based, results-oriented projects approved complying with quality standards.	◇ Number of projects approved adhering to quality standards.
2. Food aid and services delivered promptly with minimum cost.	◇ Tonnage distributed to beneficiaries by region and category versus assessed needs. ◇ Number of emergency operations approved within stipulated timeframe. ◇ Average lead time for in-country response from initial assessment to first food distribution to targeted beneficiaries. ◇ Average cost per mt distributed. ◇ Percentage in-country food loss.
3. Improved technical capacities in assessment, targeting, emergency preparedness and programme design.	◇ Number of staff trained. ◇ Number of staff with technical expertise. ◇ Progress in implementing the quality-improvement plan.
4. Updated operational procedures in line with emerging needs.	◇ Type of operational and procedural directives and guidelines. ◇ Timely issue of operational guidelines, and their usefulness.
5. Improved service delivery to regional bureaux and country offices through Helpdesk, PDM support and information sharing.	◇ Level of satisfaction expressed by regional directors, regional procurement advisers and country directors regarding services provided by OD.

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 66: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	3 774
Other	297
<b>Total</b>	<b>4 071</b>
Staff count	20



## FOOD PROCUREMENT SERVICE (ODF)

### LINK TO STRATEGIC PRIORITIES: MP5) STRENGTHENING

#### OPERATIONAL SUPPORT

- ⇒ ODF supports WFP's strategic priorities through food-procurement activities, which are increasing in volume. It ensures timely and cost-effective availability of food commodities, provides guidance on food-procurement to country offices and regional bureaux, supports food-procurement actions, enhances competence-building for staff, increases donor awareness of WFP procurement activities and augments internal visibility.

#### CHALLENGES FOR 2004–2005

- ⇒ Challenges include meeting increasing demand for food procurement, ensuring that food-procurement expertise is available for commodity purchases on international markets, supporting country offices in local and regional purchases, improving the use of WINGS to meet requirements, addressing the issues of increasing donor restrictions on food purchases and new import restrictions by recipient countries – on GMOs, for example – and increasing the volume of food purchased in developing countries.

#### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	carry out increasing international and field food procurement to ensure prompt and cost-effective availability of food commodities to beneficiaries;
ii.	provide guidance on food procurement to country offices and regional bureaux;
iii.	support food-procurement actions and enhance staff competence; and
iv.	increase donor awareness of WFP procurement activities and augment internal visibility.





<b>TABLE 67: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Requests are consolidated and issued as international tenders.	<ul style="list-style-type: none"> <li>◇ Number of international tenders issued.</li> <li>◇ Number and tonnage of food purchases from international sources.</li> </ul>
2. Increased local and regional food procurement.	<ul style="list-style-type: none"> <li>◇ Number and tonnage of purchases from local and regional sources.</li> </ul>
3. Timely and cost-efficient procurement of food commodities.	<ul style="list-style-type: none"> <li>◇ Average procurement response time.</li> <li>◇ Number of defaulted procurement contracts.</li> <li>◇ Procurement workload as the ratio of quantity of food procured and number of full-time procurement staff.</li> </ul>
4. Compliance with corporate procurement policies and procedures.	<ul style="list-style-type: none"> <li>◇ Number of adverse audit observations.</li> </ul>
5. Enhanced staff capacity in timely and cost-efficient procurement.	<ul style="list-style-type: none"> <li>◇ Number of workshops.</li> <li>◇ Number of staff trained.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 68: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	3 085
Other	243
<b>Total</b>	<b>3 328</b>
Staff count	20



## PROGRAMMING SERVICE (ODP)

### LINK TO STRATEGIC PRIORITIES: MP5) STRENGTHENING

#### OPERATIONAL SUPPORT

- ⇒ ODP contributes to WFP's objective of drawing public attention to the needs of the hungry poor by analyzing and reporting trends, resource gaps, priorities and alternatives to keep management and donors abreast of needs, shortfalls and results in bridging the resource gap. It assists the hungry poor in emergencies by ensuring that food and cash requirements are efficiently matched to resources, taking into account donor conditions, corporate resourcing priorities and Executive Board guidance. ODP facilitates decentralized management to place decision-making close to beneficiaries by providing assistance in resource planning and budget revisions.

#### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 relate to:
- ◇ more complex core programming functions in pre-assigning resources such as funding proposals and what-if analyses resulting from the increasing number of emerging donors, and twinning and leveraging of contributions;
  - ◇ increased throughput – an estimated 50 percent increase in contributions resulting in a 100 percent increase in workload as each contribution translates into at least one purchase requisition;
  - ◇ updating the resource allocation model in the light of the forthcoming country and sectoral concentration.

#### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	enable senior management to forecast its annual programme of work, identify the related resource gap, set priorities for resourcing underfunded activities and monitor achievement of resourcing goals; and
ii.	ensure timely resourcing through efficient programming of contributions, balances and savings and judicious use of funding mechanisms, taking into account Executive Board guidance, corporate priorities and donor conditionalities.



**TABLE 69: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
<p>1. Automated information and programming systems are established to facilitate more precise and sharable corporate information. Deliverables include:</p> <ul style="list-style-type: none"> <li>◇ largely automated reporting: the Executive Director's Operational Briefing Kit, Blue Book, Yellow Pages and monthly updates, Priority Lists and CAP reporting; and</li> <li>◇ reduced errors and time for compiling and consolidating funding proposals and corporate reports.</li> </ul>	<ul style="list-style-type: none"> <li>◇ Automated programming and information systems operational by December 2004.</li> <li>◇ Automated matching of needs with resources; related reporting is accessible.</li> <li>◇ Turn-around time for report preparation.</li> </ul>
<p>2. Estimates of WFP's food and non-food requirements are accurately projected. Reduced variance between projected and actual needs.</p>	<ul style="list-style-type: none"> <li>◇ Annual Blue Book prepared and submitted to donors and senior management by October 2004 and October 2005.</li> <li>◇ Percentage variance between actual and projected needs.</li> </ul>
<p>3. 750 funding proposals per year for directed multilateral contributions within deadlines.</p>	<ul style="list-style-type: none"> <li>◇ Percentage of planned funding proposals prepared on schedule and in line with donor conditions and corporate priorities.</li> </ul>
<p>4. Annual allocation plan for development activities approved and issued.</p>	<ul style="list-style-type: none"> <li>◇ Annual allocation plan approved and issued by November; commodity allocation approved and issued by December.</li> </ul>
<p>5. Tentative commodity allocation for development activities issued to country offices.</p>	<ul style="list-style-type: none"> <li>◇ Percentage of country offices receiving tentative commodity allocation on schedule.</li> </ul>
<p>6. Staff are made aware of WFP programming policies and best practices.</p>	<ul style="list-style-type: none"> <li>◇ Number of staff trained on programming issues.</li> <li>◇ Number of briefings to given to country directors.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 70: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	4 151
Other	326
<b>Total</b>	<b>4 477</b>
Staff count	28



## **TRANSPORT PREPAREDNESS AND RESPONSE DIVISION (OTP)**

### **LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE; MP5) STRENGTHENING OPERATIONAL SUPPORT**

- ⇒ OTP is committed to gaining recognition for WFP's excellence in vulnerability analysis, needs assessment, logistics and disaster preparedness and response. OTP will seek to maintain and address two weaknesses: (i) improving the quality of reporting and contributing to development of RBM, and (ii) improving needs assessment. OTP will contribute to eliminating these gaps in areas such as VAM, emergency preparedness and response (EPR) and emergency needs assessment (ENA) and address weaknesses in internal logistics management by upgrading staff competence.

### **CHALLENGES FOR 2004–2005**

- ⇒ The challenges for 2004–2005 are to:
- ◇ provide sufficient staff capable of managing emergency response in a situation of simultaneous large-scale emergencies;
  - ◇ re-establish WFP's credibility in needs assessment;
  - ◇ develop emergency needs assessment guidance and resolve challenges of assessing needs for food aid and non-food aid and chronic and transitory food insecurity;
  - ◇ improve loss prevention, reporting and financial recompense, particularly in relation to post-delivery losses;
  - ◇ introduce the concept of a transport fund and fund manager, and establish supporting information systems in the field;
  - ◇ mainstream COMPAS as a country office activity;
  - ◇ ensure continued leadership on EPR and transport and logistics at the interagency level;
  - ◇ institutionalize cost-efficient logistics practices;
  - ◇ develop key performance indicators (KPIs) showing WFP's prompt logistics response to emergencies; and
  - ◇ develop efficient VAM, needs assessment, emergency preparedness and response, transport and logistics arrangements appropriate to the most competitive food-aid organization.

### **OBJECTIVES FOR 2004–2005**

- ⇒ The objectives for 2004–2005 are to:

i.	provide cost-efficient and timely ocean transport services;
ii.	provide assistance and guidance to managers to maximize financial efficiency;



iii.	provide prompt, accurate information on shipping status and feedback to country offices and external partners;
iv.	maintain cost-effective insurance for commodity loss and legal liabilities;
v.	maintain efficiency in logistics operations;
vi.	strengthen ENA capacity by improving staff competence and assessment partnerships;
vii.	provide VAM support;
viii.	continue technical support and capacity building in emergency preparedness and response;
ix.	maintain preparedness in logistics and associated services; and
x.	improve control of quality assessment and commodity loss.

**TABLE 71: EXPECTED RESULTS\* AND INDICATORS**

Results	Performance indicators
1. Efficient transport, logistics and oversight services.	<ul style="list-style-type: none"> <li>◇ Average lead time.</li> <li>◇ Average cost per mt for transport by ocean, land and air of 7.2 million mt of food aid.</li> <li>◇ (Additional indicators for all modes of transport to be developed and pilot tested in two operations; indicators for SOs to be developed.)</li> </ul>
2. Improved credibility in terms of timely, appropriate needs assessments, VAM, emergency preparedness and response. No delay in responses to emergencies.	<ul style="list-style-type: none"> <li>◇ Average response time.</li> <li>◇ Targeting efficiency indicators to be developed and pilot tested.</li> </ul>
3. Improved loss prevention, reporting and financial recompense for loss, particularly in relation to post-delivery losses.	<ul style="list-style-type: none"> <li>◇ Percentage of commodity losses.</li> <li>◇ Value of commodity lost reimbursed to WFP.</li> </ul>
4. Improved, reliable information systems to transport data to support obligating documents and corporate reporting.	<ul style="list-style-type: none"> <li>◇ WFP corporate information systems contain complete and accurate logistics information.</li> <li>◇ Percentage of country offices connected to COMPAS.</li> </ul>
5. Minimized legal exposure for WFP, with maximum legal protection of its position.	<ul style="list-style-type: none"> <li>◇ Number of arbitrations.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 72: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	17 416
Other	1 368
<b>Total</b>	<b>18 784</b>
Staff count	99.1





**RESULTS BY ORGANIZATIONAL UNIT**  
**MANAGEMENT AND ADMINISTRATION**



## **BUSINESS PROCESS REVIEW PROJECT**

### **LINK TO STRATEGIC PRIORITIES: MP6) BUSINESS PROCESS REVIEW**

- ⇒ The project contributes directly to the business process review detailed in section III of the Management Plan.

### **CHALLENGES FOR 2004-2005**

- ⇒ Decentralization, with the resulting new delegations of authority, and the working-capital facility are changes in WFP procedures that will challenge the current organizational culture. New management practices will be crucial for success.

### **KEY OBJECTIVES FOR 2004-2005**

- ⇒ The objectives for 2004–2005 are to:
  - ◇ complete the ongoing decentralization of programme management in order to use contributions more efficiently to assist beneficiaries and to satisfy donors; and
  - ◇ insure against the risk of insufficient contributions to guarantee reliable resources for projects, so that country offices need not under-budget or over-budget and accumulated cash can be reduced.





**TABLE 73: EXPECTED RESULTS\* AND INDICATORS**

<b>Result</b>	<b>Performance Indicator</b>
1. The Country Directors have improved authority to manage and utilize the resources allocated to the country office in order to reduce the level of unspent cash balances.	<ul style="list-style-type: none"> <li>◇ Better resource utilization</li> <li>◇ Percent of budget allocation spent (%)</li> </ul>
2. Implement new project budgeting model that leads to better project budget utilization.	<ul style="list-style-type: none"> <li>◇ Percent of country offices with under spent budgets</li> <li>◇ Average budget utilization rate</li> </ul>
3. Reduced lead-time between when contributions are confirmed by donors and expenditure .	<ul style="list-style-type: none"> <li>◇ Average lead-time for expenditure (days)</li> </ul>
4. A new financing model approved by the Executive Board.	<ul style="list-style-type: none"> <li>◇ -The Executive Board approves the financing model</li> </ul>
5. Implemented capital facility model that allows country offices to improve timely availability of project funding and improve budget planning and utilization of funds.	<ul style="list-style-type: none"> <li>◇ The financing model is operationalized by December 2004</li> <li>◇ Percent need fulfilled</li> <li>◇ Percent of country offices with under spent budgets</li> <li>◇ Average budget utilization rate (%)</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 74: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	4 094
Other	322
<b>Total</b>	<b>4 416</b>
Staff count	8.4



## OFFICE OF BUDGET (OEDB)

### LINK TO STRATEGIC PRIORITIES: MP7) INCREASED TRANSPARENCY AND ACCOUNTABILITY

- ⇒ OEDB ensures that resources are allocated in accordance with strategic and management priorities and that spending authorities are given timely advice.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges are to implement and monitor monthly budgets and prepare reports on them, and to improve zero-based budgeting (ZBB) preparation for the 2006–2007 Management Plan.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	allocate funds to ensure that budget is available at approved levels, and that spending authorities are advised within target times;
ii.	provide timely budget information and analysis to the Executive Board, executive staff, WFP managers and external authorities; and
iii.	promote efficient use of resources by providing budgetary tools, procedures and policies for budget holders.



**TABLE 75: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. PSA allotments issued promptly and accurately.	<ul style="list-style-type: none"> <li>◇ Percentage of allotments issued by 1 December each year.</li> <li>◇ Percentage of budget changes made within two working days of request.</li> </ul>
2. All posts payroll funded. Monthly funding ensured.	<ul style="list-style-type: none"> <li>◇ Percentage of staff coming off the payroll incorrectly.</li> </ul>
3. Well managed DSC advance facility.	<ul style="list-style-type: none"> <li>◇ Number of DSC advance allotments made and recovered.</li> <li>◇ Percentage of advance requests processed within two business days.</li> </ul>
4. Budget presented to the Executive Board in October 2005 for approval.	<ul style="list-style-type: none"> <li>◇ Percentage of budget processed and cleared by deadlines.</li> </ul>
5. Six-monthly standard reports submitted by 31 December 2004, and a quarterly report by 31 December 2005.	<ul style="list-style-type: none"> <li>◇ Number of days by which reports are delayed.</li> <li>◇ Number of errors reported by auditors.</li> </ul>
6. Lotus Notes bulletin board established; how-to guides provided at Headquarters and on-line regional bureaux and country offices.	<ul style="list-style-type: none"> <li>◇ Number of guides posted.</li> </ul>
7. At least six workshops on budget systems and procedures per year for Headquarters, regional bureaux and selected country offices. Staff better trained in WINGS budget processes.	<ul style="list-style-type: none"> <li>◇ Number of workshops delivered.</li> <li>◇ Number of staff trained.</li> <li>◇ Percentage deviation from budget.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 76: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	2 735
Other	215
<b>Total</b>	<b>2 950</b>
Staff count	16



## OVERSIGHT SERVICES DIVISION (OEDO)

### LINK TO STRATEGIC PRIORITIES: MP7) INCREASED TRANSPARENCY AND ACCOUNTABILITY

⇒ OEDO supports WFP's strategic priorities by enhancing programme and internal management excellence. It is a primary component of governance and accountability in terms of implementation and enforcement. OEDO will provide assurance that resources are used efficiently, that controls are in place and that rules, regulations and donor authorizations are adhered to.

### CHALLENGES FOR 2004–2005

⇒ The main challenge will be to achieve and maintain cost-effective oversight in coordination with the external auditor in line with WFP's growth and decentralization. Implementing risk management will be challenging, if the efforts and resources required for similar exercises in other entities are anything to go by.

### OBJECTIVES FOR 2004–2005

⇒ The objectives for 2004–2005 are to:

i.	provide leadership in oversight;
ii.	conduct frequent and timely audits, inspections and reviews;
iii.	conduct prompt investigations into alleged irregularities;
iv.	review and implement best practices in audit, investigation and inspection;
v.	promote corporate risk management;
vi.	advising management on topical issues requiring immediate solutions; and
vii.	advocate oversight issues and promote a culture of integrity.



**TABLE 77: EXPECTED RESULTS\* AND INDICATORS**

Results	Performance indicators
1. Increased oversight coverage: country office audits increased by 68 percent; Headquarters thrust-area audits, including IT, by 23 percent; investigations by 67 percent; and inspections by 23 percent.	<ul style="list-style-type: none"> <li>◇ Timeliness of reporting:</li> <li>◇ Country office and Headquarters audit reports issued within 30 days after completion of field work</li> </ul>
2. Audit of the Biennium Financial Statement 2002–2003 and Interim Financial Statements 2004–2005.	<ul style="list-style-type: none"> <li>◇ Inspection reports issued within ten days of completion of field work.</li> <li>◇ Number of planned country office audits and reviews.</li> <li>◇ Number of investigations and inspections.</li> <li>◇ Amount of recoveries and savings achieved.</li> <li>◇ Percentage of recommendations implemented.</li> </ul>
3. Increased staff awareness of corporate ethics and oversight policies.	<ul style="list-style-type: none"> <li>◇ Number of messages received through the enhanced oversight hotline.</li> <li>◇ Issue of WFP's code of ethics by December 2004.</li> </ul>
4. Introduction of corporate risk management begun.	<ul style="list-style-type: none"> <li>◇ Corporate risk management plan endorsed by senior management.</li> <li>◇ Number of workshops.</li> <li>◇ Number of managers trained.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 78: RESOURCE REQUIREMENTS, 2004–2005**

	Total (US\$ thousand)
PSA	4 812
Other	378
<b>Total</b>	<b>5 190</b>
Staff count	24



## **DIVISION OF RESULTS-BASED MANAGEMENT (OEDR)**

### **LINK TO STRATEGIC PRIORITIES: MP3) RESULTS-BASED MANAGEMENT AND REPORTING**

⇒ OEDR is a new division established to introduce a corporate RBM system. The Executive Director, the Executive Board and donors give this function high priority. RBM is the essential conceptual thread pulling together the new governance arrangements. Successful measurement and reporting of strategic priorities is essential to demonstrate WFP's results.

### **CHALLENGES FOR 2004–2005**

- ⇒ The challenges for 2004–2005 are to:
- ◇ develop a simple, credible RBM system with buy-in from staff and partners;
  - ◇ develop a performance-measurement system that can be adapted to field situations;
  - ◇ change the culture of WFP to measure outcomes, not just outputs;
  - ◇ make evaluation a part of the RBM lessons-learned process;
  - ◇ roll up country-level and office-level results to corporate results for inclusion in the Annual Performance Report; and
  - ◇ develop a single country office report format.

### **OBJECTIVES FOR 2004–2005**

⇒ The objectives for 2004–2005 are to:

i.	develop and implement a corporate RBM system and integrating evaluation into it;
ii.	coordinate development and implementation of a real-time web-based performance measurement information system, including baseline studies, to ensure reliable and timely reporting for management decision-making, and strengthen RBM and M&E capacity in regional bureaux;
iii.	provide independent internal evaluation for senior management, staff and the Executive Board;
iv.	increase understanding and implementation capacity among WFP and counterpart staff regarding RBM and its measurement system;
v.	establish improved performance reporting; and
vi.	support WFP's efforts to become a better learning organization.



**TABLE 79: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Corporate RBM approach developed and accepted by staff and stakeholders.	◇ Percentage of approved projects and activities that are RBM-compliant.
2. Performance measurement system operational in Headquarters, regional bureaux and country offices.	◇ Percentage of offices connected to web-based performance system.
3. Evaluation process oriented towards results and lessons learned.	◇ Annual evaluation synthesis report completed on time.
4. Corporate reporting on results is accurate and on time.	◇ Number and percentage of SPRs completed by 31 March each year. ◇ Annual Performance Report completed by Annual Session of the Executive Board.
5. Single country-office reporting system that meets WFP requirements.	◇ Percentage of offices able to report through new system.

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 80: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	6 129
Other	4 616
<b>Total</b>	<b>10 744</b>
Staff count	21



## FUNDRAISING ASIA DIVISION (FRA)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ WFP will require unprecedented resources in future years to respond to food aid needs and meet organizational objectives. The current donor base needs to be broadened; FRA will mobilize contributions from new and emerging donors in the Asia region.

### CHALLENGES FOR 2004–2005

- ⇒ Mobilizing resources from emerging donors in the Asia region is largely a new venture for WFP. FRA is a test case for fundraising through regional bureaux, involving new staff and responsibilities. The regional director and country directors will need to be fully engaged in planning and implementation.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	develop long-term strategic partnerships with emerging donors;
ii.	raise US\$8 million from emerging Asian donors in 2004, and US\$15 million in 2005; and
iii.	facilitate transition from recipient to sustainable donor status, with particular emphasis on India.





<b>TABLE 81: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Broaden WFP's resource base by attracting increased contributions from emerging donors	<ul style="list-style-type: none"> <li>◇ Number of new donors.</li> <li>◇ Percentage of new donors continuing to contribute over the biennium.</li> <li>◇ Value of annual contributions</li> </ul>
2. Ensure stable and increased funding from non-traditional donors	<ul style="list-style-type: none"> <li>◇ Value of annual contributions.</li> <li>◇ Percentage increase in contributions.</li> </ul>
3. More regular and sustainable contributions from the Government of India	<ul style="list-style-type: none"> <li>◇ Value of annual contributions from India.</li> <li>◇ Percentage increase in contributions from India.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 82: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	790
Other	-
<b>Total</b>	<b>790</b>
Staff count	3



## COMMUNICATIONS DIVISION (FRC)

### LINK TO STRATEGIC PRIORITIES: MP8) COMMUNICATION AND ADVOCACY

- ⇒ Communication and advocacy sensitize the public, donors, the private sector and decision-makers to WFP activities and generate financial support. If funding declines because of donor budget constraints, FRC activities will be even more critical in stimulating new resourcing initiatives.

### CHALLENGES FOR 2004–2005

- ⇒ WFP's inability to engage in advertising to raise resources has been a formidable limitation to raising its visibility. FRC will compensate with imaginative use of traditional public information tools to get WFP's message across. Other challenges include lack of an established brand name and limited advocacy materials for information campaigns in United Nations and other languages.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	enhance WFP's voice in alerting the world to immediate humanitarian needs in order to raise the resources to respond;
ii.	position WFP in the medium-term and long-term as a leader on hunger and food aid issues, with the aim of ensuring support;
iii.	improve communications on corporate policy and priorities to increase effectiveness; and
iv.	ensure consistent content and identity in corporate publications.



<b>TABLE 83: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Increased recognition of WFP as the frontline agency in the fight against global hunger among donors, opinion-makers, the media and the public	<ul style="list-style-type: none"> <li>◇ Number of mentions of WFP in key media outlets</li> <li>◇ Relative coverage of WFP in the media (percentage, when compared with other major relief agencies).</li> <li>◇ Number media campaigns.</li> </ul>
2. Opinion makers and donors motivated to support and provide funding for WFP operations.	<ul style="list-style-type: none"> <li>◇ Donor response time to emergencies.</li> <li>◇ Number of pledges made during the first month of an emergency operation.</li> </ul>
3. Increased publicity and recognition of donors and NGO partners.	<ul style="list-style-type: none"> <li>◇ Number of joint information campaigns conducted with donors and NGO partners.</li> </ul>
4. Increased advocacy efforts on the needs of the hungry poor.	<ul style="list-style-type: none"> <li>◇ Percentage of FRC time and resources devoted to advocacy activities.</li> <li>◇ Number of campaigns conducted to highlight global or regional hunger issues.</li> </ul>
5. Increased internal communication of corporate messages and priorities.	<ul style="list-style-type: none"> <li>◇ Number of information bulletins, newsletters and statements issued.</li> <li>◇ Number of corporate messages on key priority areas prepared and issued.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 84: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	10 459
Other	–
<b>Total</b>	<b>10 459</b>
Staff count	34



## DONOR RELATIONS DIVISION (FRD)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ FRD is responsible for raising funds from donors to enable WFP to carry out its mission. Funds from the United States, the European Union, Belgium and the private sector are not part of FRD's remit.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are to:
- ◇ ensure that WFP's strategic priorities are fully funded;
  - ◇ secure substantial additional funding from traditional donors, in spite of increasing difficulties, for activities other than humanitarian operations;
  - ◇ access new funding windows from traditional donors;
  - ◇ nurture a culture of fund raising and advocacy;
  - ◇ find creative ways to meet FCR for emerging donors' contributions; and
  - ◇ define fund-raising responsibilities in terms of respect for donor conditionalities and deadlines, reduction in unspent balances and reporting.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	raise funds from traditional donors, with a target of US\$770 million by 2004 and US\$831 million by 2005;
ii.	broaden WFP's resource base by raising more funds from more emerging donors, with a target of US\$96 million by 2004 and US\$115 million by 2005; and
iii.	increase funding in support of protecting livelihoods in crisis situations, improved nutrition and health and improved access to education.



**TABLE 85: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Ensure increased, stable funding from traditional donors.	<ul style="list-style-type: none"> <li>◇ Value of annual contributions received.</li> <li>◇ Percentage increase in contributions.</li> </ul>
2. Broaden WFP's resource base by attracting and retaining increased contributions from emerging donors.	<ul style="list-style-type: none"> <li>◇ Number of new donors contributing.</li> <li>◇ Percentage of new donors contributing over the biennium.</li> <li>◇ Value of annual contributions received.</li> </ul>
3. Increase funding in support of protecting livelihoods in crisis situations, improved nutrition and health and improved access to education.	<ul style="list-style-type: none"> <li>◇ Value of contributions by strategic priority.</li> <li>◇ Percentage increase in contributions, by strategic priority.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 86: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	8 272
Other	–
<b>Total</b>	<b>8 272</b>
Staff count	54



## EUROPEAN COMMISSION RELATIONS DIVISION (FRE)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ◇ FRE is responsible for maximizing contributions to WFP from the European Commission—one of the Programme's top three donors—and for creating a strong relationship with member states, the European parliament and European NGOs. The division is also responsible for fund-raising in Belgium.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are to:
  - ◇ take up new opportunities for fundraising and advocacy resulting from the increase in European Union membership from 15 to 25 in 2004; and
  - ◇ position WFP to obtain increased funding from the European Union in line with the member states' undertaking to commit 0.4 percent of national income to ODA by 2005.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	engage with the European Commission as a strategic partner, including discussion of policy matters important to both organizations, in order to increase its level of contribution;
ii.	access new sources of funding in the European Commission by enlarging WFP's network of contacts with key decision-makers;
iii.	enhance WFP's profile in the European Union and the NGO community, and create awareness, visibility and support amongst opinion-makers of global and WFP food aid issues; and
iv.	strengthen relationship with the European NGO community.



**TABLE 87: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. EC engaged as a strategic partner, including discussion of policy matters important to both organizations, to increase its level of contribution.	<ul style="list-style-type: none"> <li>◇ Value of annual contributions received from ECHO, EuropeAid and Belgium.</li> <li>◇ Percentage of increase by donor.</li> </ul>
2. New sources of funding for WFP are identified and accessed in the European Commission through enlarging the network of contacts.	<ul style="list-style-type: none"> <li>◇ Number/value of additional funding opportunities identified and accessed.</li> <li>◇ For 2005 – value of annual contributions received from these new funding windows.</li> </ul>
3. Improved awareness and visibility of WFP's activities and achievements in order to gain support amongst opinion- and decision-makers for alleviation of global hunger.	<ul style="list-style-type: none"> <li>◇ Number of substantive contacts within the European Union.</li> <li>◇ Number of substantive contacts with the NGO community</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 88: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	1 915
Other	-
<b>Total</b>	<b>1 915</b>
Staff count	8



## LIAISON OFFICE JAPAN (FRJ)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ WFP's office in Japan will contribute to corporate objectives by advocating WFP's cause to the public, promoting partnerships with key stakeholders in Japan—including NGOs, government officials, private sector corporations and parliamentarians—and securing resources for WFP.

### CHALLENGES FOR 2004–2005

- ⇒ WFP needs to diversify its funding base regarding Japan's ODA resources and compete with other United Nations agencies for cash resources. In this connection, WFP should try to raise public awareness in order to have the Government of Japan give priority to allocating its ODA. In 2004–2005, the main challenge will be to maintain the same level of funding from Japan as compared with 2003 and prior years.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	develop and maintain an excellent partnership with the Government of Japan and other influential stakeholders in Japan with a view to enhancing funding for WFP operations; and
ii.	enhance WFP's profile in Japan and create awareness, visibility and support for global and WFP food aid issues.





<b>TABLE 89: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Increased contributions from the Government of Japan	◇ Value of contributions from Government of Japan.
2. Increased recognition of WFP as the frontline agency in the fight against global hunger among donors, opinion-makers, the media and the general public	◇ Number of media exposure, number of events, press releases, Japanese publications and website update.
3. Increased contributions from the private sector	◇ Value of contributions from the private sector.

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 90: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	2 699
Other	–
<b>Total</b>	<b>2 699</b>
Staff count	8



## FUNDRAISING NEW YORK (FRF)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ FRF contributes directly to WFP's strategic priorities by broadening its donor base and thus increasing the resources to support its operations.

### CHALLENGES FOR 2004–2005

- ⇒ FRF will have to gain knowledge in a new, complex area—foundations and corporations in the United States. It will have to build trustful relations with a selected group of funding partners at a time of global economic recession and establish a long-lasting alliance that will broaden WFP's funding base in a sustainable manner.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	research strategic partners and promote WFP by organizing special visibility and fundraising events;
ii.	understand convergence of interest with selected partners, ensure flow of information and submission of funding proposals; and
iii.	hire independent promoters to support fund-raising and awareness campaigns.



<b>TABLE 91: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Strategic action plan and workplan defined. Qualified staff recruited. Defined actions within workplan implemented. Visibility and advocacy actions defined and implemented.	<ul style="list-style-type: none"> <li>◇ Action plan defined and team in place and fully operational by 31 March 2004.</li> <li>◇ Number of exhibits/seminars held with foundations and corporations.</li> </ul>
2. Database of potential partners established. Interest expressed by corporations and foundations in supporting WFP.	<ul style="list-style-type: none"> <li>◇ Database established by 30 October 2004.</li> <li>◇ Number of corporations/foundations expressing interest in work with WFP.</li> <li>◇ Number of proposals submitted.</li> <li>◇ Value of funds raised.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 92: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	1 045
Other	–
<b>Total</b>	<b>1 045</b>
Staff count	3.8



## PRIVATE SECTOR DIVISION (FRP)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ FRP's aim is to raise cash and gifts in kind that help WFP feed more people, in line with WFP's strategic priorities and the management priority to have increased resources for increased needs.

### CHALLENGES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:
- ◇ learn best practices in the fundamentals of private-sector fundraising for corporations and foundations;
  - ◇ fill established posts with staff experienced in marketing, cause-related marketing and fundraising;
  - ◇ build in-house capacity in these skills;
  - ◇ manage in-house expectations about the realities of private-sector fundraising; and
  - ◇ keep WFP focused on a sponsorship strategy that meets its needs.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	direct, manage and serve the growth of WFP's private-sector fundraising units and programmes;
ii.	acquire and manage high-value corporate partners; and
iii.	manage other donors, including corporations, associations, the Friends of WFP and individuals.



**TABLE 93: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Direct, manage and serve growth of WFP's private-sector fundraising units and programmes.	◇ Consistent strategy adopted by management and the Executive Board, managed by FRP.
2. Acquire and manage high-value corporate partners.	◇ Three additional high-value partners added per year, achieving US\$18 million value-added.
3. Manage other donors, including corporations, associations, the Friends of WFP and individuals.	◇ Consultant, internet and WFP office projects managed and supported in a professional manner to achieve US\$20 million value-added.

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 94: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	3 551
Other	–
<b>Total</b>	<b>3 551</b>
Staff count	14



## UNITED STATES RELATIONS DIVISION (FRU)

### LINK TO STRATEGIC PRIORITIES: MP9) INCREASED RESOURCES FOR INCREASED NEEDS

- ⇒ Adequate funding must be available to enable WFP to accomplish its organizational objectives. WFP is voluntarily funded; 60 percent of contributions come from the United States Government. To improve interaction with the United States Government, most of FRU's functions and services will be transferred from Rome to Washington. Interaction with other stakeholders such as NGOs, the private sector and commodity groups will enhance WFP's profile, help advocate for the hungry poor and improve resourcing levels.

### CHALLENGES FOR 2004–2005

- ⇒ FRU is a new unit with new or expanded responsibilities. There will be a steep learning curve, as most staff will be new to this type of work, in which networks and relationships are crucial. The division will work to ensure a smooth transfer of responsibilities from Rome to Washington and to equip staff with tools such as WINGS and RMS to service WFP's largest donor.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	develop an excellent relationship with the United States Government and other sources, with a view to obtaining funding for WFP operations;
ii.	enhance WFP's profile in the United States and create awareness of global and WFP food aid issues; and
iii.	ensure that contributions from the United States are dealt with promptly and effectively.



**TABLE 95: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Relationships with the United States Government and other sources developed and maintained, with a view to increasing funding for WFP operations	<ul style="list-style-type: none"> <li>◇ Number of meetings held.</li> <li>◇ Number of new contacts established between FRU and United States Government agencies at all levels.</li> <li>◇ Value of annual contributions received.</li> </ul>
2. WFP's profile in the United States and increase awareness of global hunger and WFP food aid activities.	<ul style="list-style-type: none"> <li>◇ Number of meetings held.</li> <li>◇ Number of new contacts established with private and public sector entities.</li> <li>◇ Number of events and information briefings held by FRU.</li> <li>◇ Value of annual contributions received.</li> </ul>
3. Ensure that contributions from the United States are dealt with promptly and effectively.	<ul style="list-style-type: none"> <li>◇ Time elapsed between pledged contribution and signed funding proposal.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 96: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	3 461
Other	–
<b>Total</b>	<b>3 461</b>
Staff count	11.5



## EXECUTIVE BOARD SECRETARIAT (PEB)

### LINK TO STRATEGIC PRIORITIES: MP8) COMMUNICATION AND ADVOCACY

- ⇒ PEB is WFP's frontline unit supporting the Executive Board, facilitating interaction between corporate management and the Board.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are to:
- ◇ handle anticipated growth in business complexity and volume resulting from increasing requirements of Member States and WFP involvement with other United Nations agencies in the context of coordination, harmonization and simplification;
  - ◇ amplify administrative capacity to cope with expanding business and delegation of authority on administrative matters from HR, FS and MS; and
  - ◇ identify suitable career prospects for staff in Translation and Editing.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	facilitate interaction between the Executive Board and the Secretariat;
ii.	support efforts to raise WFP's image and to attract more resources; and
iii.	manage the relationship between the Executive Board and other governing bodies.





<b>TABLE 97: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Ensure effective interaction between the Executive Board and the Secretariat.	<ul style="list-style-type: none"> <li>◇ Number of Board sessions and related meetings serviced.</li> <li>◇ Average staff time for processing servicing contracts.</li> <li>◇ Average cost per meeting serviced.</li> </ul>
2. Service non-Board meetings and provide editing and translating.	<ul style="list-style-type: none"> <li>◇ Number of words edited.</li> <li>◇ Number of words translated.</li> <li>◇ Average staff time for processing servicing contracts.</li> <li>◇ Average cost per meeting serviced.</li> <li>◇ Satisfaction rating of the quality of support service.</li> <li>◇ Number and cost of contracts serviced.</li> </ul>
3. Enhance relationships between the Executive Board and other United Nations agency.	<ul style="list-style-type: none"> <li>◇ Number of Joint Board field visits organized with WFP.</li> <li>◇ Number of meetings attended jointly by the Bureaux and Board members.</li> <li>◇ Number of documents processed for joint activities.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 98: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	6 269
Other	-
<b>Total</b>	<b>6 269</b>
Staff count	23



## GENEVA OFFICE (PEG)

### LINK TO STRATEGIC PRIORITIES: MP8) COMMUNICATION AND ADVOCACY

- ⇒ PEG plays an important role in raising the profile of WFP objectives and priorities in the international community in Geneva, among United Nations organizations and in Switzerland as a whole. It liaises with the donor community in Geneva, representing WFP priorities and policies.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges include accommodating the PEG office in a better working environment, such as the Palais des Nations, improving the quality of work with the same staff and advocating for WFP with potential donors, the private sector and academic institutions.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	improve inter-agency partnerships, particularly with UNHCR, OCHA, IFRC, ICRC, inter-governmental bodies and Geneva-based NGO consortia;
ii.	develop relations with the donor community in Geneva to create a stable resource base and act as the WFP focal point for the Humanitarian Liaison Working Group (HLWG) and advocate WFP's activities to the private sector and Swiss academic institutions; and
iii.	implement public information and awareness activities with the Geneva-based press corps, act as WFP's focal point with the French and German media and advocate on behalf of the hungry poor in the media in Switzerland and Europe.



**TABLE 99: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. WFP's policies, strategic priorities and issues are well articulated in the United Nations fora and reflected in IASC meetings and documents.	<ul style="list-style-type: none"> <li>◇ Number of meetings with other United Nations agencies and partners on issues of common concern.</li> <li>◇ Number of documents that reflect WFP inputs into IASC working groups.</li> <li>◇ Number of staff hours dedicated to IASC meetings and coordination.</li> </ul>
2. The HLWG and diplomatic missions are informed about resource requirements and unmet needs.	<ul style="list-style-type: none"> <li>◇ Number of briefings presented to HLWG meetings, diplomatic missions, academic and private-sector institutions.</li> <li>◇ Number of queries answered.</li> </ul>
3. Increased awareness of WFP's activities and visibility among donors and the international community.	<ul style="list-style-type: none"> <li>◇ Number of briefings and interviews given to Swiss news media.</li> <li>◇ Number of press releases and articles in the Swiss media about WFP.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 100: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	1 500
Other	–
<b>Total</b>	<b>1 500</b>
Staff count	7



## NEW YORK OFFICE (PEN)

### LINK TO STRATEGIC PRIORITIES: MP8) COMMUNICATION AND ADVOCACY

- ⇒ PEN's objective is to ensure the inclusion of WFP strategic and management priorities, especially hunger issues, in the United Nations system and interagency and intergovernmental processes in New York to coordinate response to development and humanitarian imperatives. It also augments visibility of WFP's work to increase support for WFP policies, strategies and operations, including "forgotten emergencies", development activities and high-visibility operations.

### CHALLENGES FOR 2004–2005

- ⇒ As WFP becomes more visible, additional responsibilities will arise. There will be additional requests for policy guidance and media presence. A need to prioritize work is evident.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	ensure inclusion of humanitarian, development and transitional issues important to WFP, including cross-cutting issues, in United Nations and intergovernmental policy processes;
ii.	advocate for actions related to reduction of poverty and hunger issues, in line with the MDGs in the main United Nations executive Committees; and
iii.	engage in strategic, policy and operational issues related to WFP operations, including "forgotten emergencies", development activities and specific high-visibility operations.



<b>TABLE 101: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Ensure WFP's leadership and participation in discussions of strategic importance to ensure that its operational concerns are taken into account in United Nations, interagency and intergovernmental processes.	<ul style="list-style-type: none"> <li>◇ Number of documents and output of meetings.</li> <li>◇ Number of conferences which include references to issues of concern to WFP.</li> </ul>
2. Increased visibility and advocacy for WFP's work to increase support for policies, strategies and operations, including "forgotten emergencies", development activities and specific high-visibility operations.	<ul style="list-style-type: none"> <li>◇ Number of requests by stakeholders for WFP contribution in policy debate.</li> <li>◇ Number of contributions or requests for information about contributing to WFP.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 102: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	2 274
Other	–
<b>Total</b>	<b>2 274</b>
Staff count	8



## EXTERNAL RELATIONS DIVISION (PER)

### LINK TO STRATEGIC PRIORITIES: MP1) STRENGTHENING

#### PARTNERSHIPS

- ⇒ PER is responsible for maintaining an overview of WFP's inter-agency relations, developing a strategic approach to inter-agency activities and advising senior management in support of WFP's efforts to strengthen partnerships and achieve its inter-agency priorities. PER supports WFP's communication and advocacy priorities through its relations with external bodies and the Government of Italy. PER strengthens the knowledge base of the organization through the WFP Library.

#### CHALLENGES FOR 2004–2005

- ⇒ The need for coordination to ensure support to beneficiaries is increasingly important; PER will need to help WFP to rise to this challenge. It will have to work closely with other offices that deal with partners to ensure coordination.

#### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	strengthen inter-agency partnerships and ensure participation in discussions and decisions likely to affect WFP;
ii.	increase awareness and understanding of WFP's mission and priorities, and pursue these in interactions with external entities.
iii.	advise and support senior management on interagency matters, including participation in meetings;
iv.	improve the WFP Library and knowledge base and promote use of the library as a resource for food security issues; and
v.	strengthen relations with the Government of Italy, including support for fund-raising and advocacy.



**TABLE 103: EXPECTED RESULTS\* AND INDICATORS**

Results	Performance indicators
1. Strengthened partnerships with United Nations bodies, international organizations and NGOs, in line with WFP strategic priorities.	<ul style="list-style-type: none"> <li>◇ Number of focal points appointed by November 2003.</li> <li>◇ Number of Joint Plans of Action and Letters of Intent with UNHCR, FAO and UNICEF completed by the first quarter of 2004.</li> <li>◇ Number of interagency agreements revised by mid-2004 with United Nations agencies, international organizations and NGOs incorporating WFP's policies.</li> <li>◇ Number of new partnership agreements signed by the end of 2004.</li> <li>◇ Number of implementation problems resolved.</li> </ul>
2. Increased awareness and understanding of WFP's mission and activities among United Nations entities, international organizations and NGOs.	<ul style="list-style-type: none"> <li>◇ Number of external meetings and conferences attended.</li> <li>◇ Number of United Nations reports prepared.</li> <li>◇ Number of comments on key United Nations documents prepared.</li> <li>◇ Number of Executive staff briefs on United Nations, NGOs and other fora prepared.</li> </ul>
3. Enhanced information and support on external relations matters made regularly available to the Executive Board, senior management and staff.	<ul style="list-style-type: none"> <li>◇ Number of documents on external relations prepared for the Executive Board.</li> <li>◇ The Triennial Policy Review prepared for the Executive Board.</li> <li>◇ The JIU follow-up report prepared for the May 2004 Annual Executive Board.</li> <li>◇ Information on external affairs regularly shared throughout WFP.</li> <li>◇ Number of hits on PER's web page.</li> <li>◇ Number of profiles on United Nations agencies, NGOs and international organizations prepared.</li> <li>◇ Number of United Nations, other organizations and NGOs profiles with WFP made available.</li> <li>◇ Data collection system (DACOTA) to collect field-level partnership information running by mid-2004.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 104: RESOURCE REQUIREMENTS, 2004–2005**

	Total (US\$ thousand)
PSA	2 992
Other	–
<b>Total</b>	<b>2 992</b>
Staff count	13



## STRATEGY, POLICY AND PROGRAMME SUPPORT DIVISION (PSP)

### LINK TO STRATEGIC PRIORITIES: MP4) STRENGTHENING WFP'S KNOWLEDGE BASE

- ⇒ PSP provides the policy framework and knowledge base for the four strategic priorities, guidance on their implementation and related materials for advocacy. It analyses issues underpinning the Strategic Plan. Its knowledge building, guidance and advocacy will be essential for WFP's projected expansion of school feeding, HIV/AIDS, livelihoods protection, safety nets and nutrition activities. Implementation and monitoring of WFP's cross-cutting gender commitments will require PSP support.

### CHALLENGES FOR 2004–2005

- ⇒ The reorganization of WFP on 1 February 2003 added significant programme-support functions relating to relief programmes, HIV/AIDS and food security/safety net activities. Integrating these into the unit and ensuring programme-support and guidance will be the main challenge as will managing a greatly expanded HIV/AIDS workload.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	advise the Executive Director, executive staff and Executive Board on policies related to the strategic priorities;
ii.	provide guidance for programming and interagency involvement on food security and development issues;
iii.	provide policy guidance based on an enhanced understanding of designing and supporting nutrition interventions with food aid;
iv.	support field offices, especially in implementing programme improvements and RBM and reporting;
v.	improve the quality and quantity of WFP's HIV/AIDS programming;
vi.	programme technical support to field offices, partners and Headquarters to improve food-supported nutrition interventions;
vii.	enhance WFP's efforts to save lives in crisis situations and support recovery;





viii.	build institutional and human capacity for achieving nutrition objectives; and
ix.	provide guidance and programme support to the WFP Gender Policy, including the Enhanced Commitments to Women, and contribute to inter-agency initiatives on mainstreaming a gender perspective into policies and programmes.

<b>TABLE 105: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Improved ability to use food aid to address the strategic priorities.	◇ Percentage of activity-level indicators met.
2. Enhanced awareness of the value of food aid in addressing the strategic priorities.	◇ Percentage of activity-level indicators related to enhancing awareness.

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 106: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	18 849
Other	2 223
<b>Total</b>	<b>21 072</b>
Staff count	42.5



## **WASHINGTON LIAISON OFFICE FOR BRETTON WOODS INSTITUTIONS (PSPW)**

### **LINK TO STRATEGIC PRIORITIES: MP1) STRENGTHENING PARTNERSHIPS**

- ⇒ WFP strives to provide food assistance in the most effective way. Food transfers to the hungry poor work best when they are part of wider programmes. The Bretton Wood Institutions (BWI) facilitate such programmes and make non-food resources available to partner countries. Closer cooperation with the BWI is essential for sustainable food assistance.

### **CHALLENGES FOR 2004–2005**

- ⇒ Working closely with the BWI should ensure a wider international buy-in for development and rehabilitation programmes supported by WFP. This requires an investment of WFP capacity, and collaboration on programming. Early BWI involvement in countries in transition from emergency humanitarian action is important; WFP needs to find ways to make it easier for BWI to achieve this.

### **OBJECTIVES FOR 2004–2005**

- ⇒ The objectives for 2004–2005 are to:

i.	enable BWI to integrate food assistance into policy formulation and project development; and
ii.	enable BWI units concerned with human development to focus on needs and opportunities related to food transfers.



<b>TABLE 107: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. BWI to integrate food assistance into policy and programme development.	<ul style="list-style-type: none"> <li>◇ Number of BWI programmes that incorporate food assistance.</li> <li>◇ Number of joint collaboration projects.</li> </ul>
2. BWI units concerned with human development focus on needs and opportunities related to food transfers.	<ul style="list-style-type: none"> <li>◇ Number of consultations and collaborations between BWI units and WFP or other food assistance organizations focused on food transfers.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 108: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	709
Other	
<b>Total</b>	<b>709</b>
Staff count	2



## FINANCE DIVISION (FS)

### LINK TO STRATEGIC PRIORITIES: MP7) INCREASED TRANSPARENCY AND ACCOUNTABILITY

- ⇒ FS supports the programme strategy by ensuring that funds are safeguarded and accounted for and helps managers to maximize the effectiveness in using financial resources.
- ⇒ FS will undertake to strengthen financial management capacity and will continue to adopt best practices in managing payments, cash and receivables and in financial reporting. It will continue to work closely with other United Nations organizations on harmonization.

### CHALLENGES FOR 2004–2005

- ⇒ The rollout of WINGS consolidates most financial processes and information into one system and provides the infrastructure for financial decision-making. FS must ensure that financial processes reflect this, ensure the integrity of financial information, strengthen decentralized controllership and provide supporting expertise and information to decision-makers.

### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	ensure that funds entrusted to WFP are safeguarded and accounted for, and that the return on surplus funds is maximized;
ii.	assist managers to maximize the effectiveness of financial resources; and
iii.	strengthen overall financial management.



**TABLE 109: EXPECTED RESULTS\* AND INDICATORS**

<b>Results</b>	<b>Performance indicators</b>
1. Accurate books of account maintained, and funds entrusted to the organization safeguarded and accounted for.	<ul style="list-style-type: none"> <li>◇ Unqualified external audit opinion.</li> <li>◇ Percentage and number of significant audit findings.</li> <li>◇ Percentage and number of financial statements produced within the required timeframe.</li> </ul>
2. Cash maintained in all required locations, and staff and supplier payments made on time.	<ul style="list-style-type: none"> <li>◇ Percentage of staff payments paid on or before due date.</li> <li>◇ Percentage of supplier payments paid on or before due date.</li> </ul>
3. Staff and supplier payments correctly calculated.	<ul style="list-style-type: none"> <li>◇ Number of corrections made to staff or supplier payments.</li> <li>◇ Number of audit findings relating to overpayments.</li> </ul>
4. Donor financial information needs satisfied.	<ul style="list-style-type: none"> <li>◇ Financial information for SPRs produced within required timeframe.</li> <li>◇ Percentage and number of donor financial queries resolved.</li> </ul>
5. Financial management strengthened.	<ul style="list-style-type: none"> <li>◇ Number and percentage of finance officers and country directors provided with financial training.</li> <li>◇ Number of bank reconciliations completed within the required timeframe.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

**TABLE 110: RESOURCE REQUIREMENTS, 2004–2005**

	<b>Total (US\$ thousand)</b>
PSA	9 058
Other	712
<b>Total</b>	<b>9 770</b>
Staff count	61



## HUMAN RESOURCES DIVISION (HR)

### LINK TO STRATEGIC PRIORITIES: MP2) HUMAN RESOURCE MANAGEMENT

⇒ HR will maximize staff motivation and productivity through policies and procedures that focus on staff well-being and security, and through ensuring efficient processing of benefits and entitlements.

### CHALLENGES FOR 2004–2005

⇒ The challenges for 2004–2005 are:

- ◇ completion of Phase II of the WINGS upgrade;
- ◇ WFP induction programme and CD training;
- ◇ reform of recruitment, promotion, reassignment, career planning and succession planning;
- ◇ effective processing of benefits and entitlements;
- ◇ handling of local staff issues; and
- ◇ ensuring staff security.

### OBJECTIVES FOR 2004–2005

⇒ The objectives for 2004–2005 are to:

i.	identify and select qualified people for international positions in a consistent, transparent manner;
ii.	ensure smooth operation of WINGS to secure payment of staff according to entitlements;
iii.	develop a common framework to assist staff development to achieve excellence in human resources management;
iv.	increase the efficiency of learning activities and organizational performance through improved information and planning;
v.	develop and monitor HR policies on individual staff requirements, and participate in United Nations/HR meetings, particularly in the context of HR reform.



<b>TABLE 111: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Strategic review of HR completed.	<ul style="list-style-type: none"> <li>◇ Introduction of reformed measures and procedures in recruitment and promotion by 31 December 2005.</li> <li>◇ Introduction of reformed measures in reassignment, career planning and succession planning by 31 December 2005.</li> </ul>
2. Information for HR management and support for decision-making on HR.	<ul style="list-style-type: none"> <li>◇ New information systems and procedures in place by 31 March 2004.</li> <li>◇ New policies, procedures and delegations of authority in place by 30 June 2004.</li> </ul>
3. Strategy for leadership and staff development implemented, monitored and evaluated.	<ul style="list-style-type: none"> <li>◇ Baseline survey at the beginning of 2004, followed by a staff-satisfaction survey in 2006.</li> <li>◇ Survey of graduates of the CD programme.</li> </ul>
4. High-quality HR services, recruitment and servicing; strategies for meeting targets for gender equity and geographical representation.	<ul style="list-style-type: none"> <li>◇ Degree of satisfaction through quarterly reports on turn-around times for major benefits activities.</li> <li>◇ Reduction in the number of complaints and appeals about HR procedures through quarterly reports.</li> <li>◇ Improved gender balance and geographical distribution through quarterly reports to Executive Staff.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 112: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	22 946
Other	1 802
<b>Total</b>	<b>24 748</b>
Staff count	102.6



## INFORMATION AND COMMUNICATIONS TECHNOLOGY DIVISION (ICT)

### LINK TO STRATEGIC PRIORITIES: MP5) STRENGTHENING OPERATIONAL SUPPORT

⇒ ICT implements the information technology solutions requested by other divisions and will contribute to excellence in internal management.

### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are to:
- ◇ establish the division as a full business partner;
  - ◇ coordinate the upgrade of WINGS;
  - ◇ respond to increased management reporting demands;
  - ◇ reduce costs and increasing competencies;
  - ◇ establish ICT standards;
  - ◇ keep 80 countries on-line and fully trained;
  - ◇ maintain a WAN infrastructure; and
  - ◇ prioritize user projects.

### OBJECTIVES FOR 2004–2005

⇒ The objectives for 2004–2005 are to:

i.	keep hardware, software and networks working;
ii.	support PC users;
iii.	facilitate activities through corporate information systems;
iv.	organize ICT support to field offices to meet requirements and coordinate inter-agency activities; and
v.	provide ICT systems to enable WFP to carry out its mandate.





<b>TABLE 113: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Improved connectivity between field offices and Headquarters.	<ul style="list-style-type: none"> <li>◇ Number of sites with e-mail connectivity.</li> <li>◇ Number of sites using new telecommunication standards.</li> <li>◇ Average LAN/WAN downtime.</li> </ul>
2. Increased access to applications to enhance financial and non-financial reporting.	<ul style="list-style-type: none"> <li>◇ Number and percentage of sites with access to WINGS.</li> </ul>
3. Cost of ownership of information and communication reduced through adherence to corporate standards.	<ul style="list-style-type: none"> <li>◇ Amount of non-standard items of equipment.</li> <li>◇ Number of non-ICT approved systems.</li> <li>◇ Percentage change in ownership costs of technology solutions.</li> </ul>
4. Increased awareness of WFP's mission and activities through increased use of information in websites.	<ul style="list-style-type: none"> <li>◇ Number of hits on websites.</li> <li>◇ Percentage change in the number of visits to websites.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 114: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	34 764
Other	2 731
<b>Total</b>	<b>37 495</b>
Staff count	137.4



## MANAGEMENT SERVICES DIVISION (MS)

### LINK TO STRATEGIC PRIORITIES: MP5) STRENGTHENING

#### OPERATIONAL SUPPORT

- ⇒ MS provides services in administration, security, non-food procurement and policy formulation, and decision support for executive management. It is responsible for cost-effective delivery of Headquarters services, staff security and safety, initiatives to automate and improve administrative processes, and inter-agency leadership in security, facilities management, common premises and services, and non-food procurement.

#### CHALLENGES FOR 2004–2005

- ⇒ The challenges for 2004–2005 are to:
- ◇ standardize inter-agency policies, issue updates of manuals, manage space at Headquarters, provide management expertise to the field and implement best practices, including the use of e-tools;
  - ◇ implement the new Procuweb and web-based public-vendor interface;
  - ◇ implement a regional security advisor concept, complete MOSS compliance, implement FSO rotation and career plans, maintain security awareness training, rationalize travel policies, update manuals, train country office staff and decentralize entitlements.

#### OBJECTIVES FOR 2004–2005

- ⇒ The objectives for 2004–2005 are to:

i.	enable safe conduct of operations; ensure the safety of WFP staff; improve staff security through participation in the United Nations security management system and facilitate communication between security principals;
ii.	maintain a safe, hygienic working environment at Headquarters and provide facilities management support to field offices;
iii.	enable WFP operations through efficient procurement of non-food items and ensure that support functions are provided efficiently;
iv.	provide efficient support services at Headquarters; and
v.	provide guidance to WFP offices in administration, non-food procurement, security and travel, and support decision-making.



<b>TABLE 115: EXPECTED RESULTS* AND INDICATORS</b>	
<b>Results</b>	<b>Performance indicators</b>
1. Fewer staff detained, injured or killed in operations; staff in danger removed to safety.	<ul style="list-style-type: none"> <li>◇ Number of staff detained, injured or killed in operations.</li> <li>◇ Number of successful staff evacuations or relocations.</li> </ul>
2. Fewer accidents, security incidents, health or medical citations, and system outages.	<ul style="list-style-type: none"> <li>◇ Number of accidents, security incidents, health or medical observations.</li> <li>◇ Building or facilities systems unavailable.</li> </ul>
3. Greater cost savings; reduced food delivery delays; shorter lead times for non-food items.	<ul style="list-style-type: none"> <li>◇ Cost savings from global long-term procurement agreements.</li> <li>◇ Percentage of contracts where actual delivery or acceptance date equals contractual delivery date.</li> <li>◇ Procurement administrative lead time.</li> </ul>
4. Headquarters services delivered on time; no meetings delayed or cancelled for technical reasons; staff occupied space within standard; expenses within budget; fewer complaints.	<ul style="list-style-type: none"> <li>◇ Percentage of on-time deliveries of services by type.</li> <li>◇ Number of meetings delayed or cancelled.</li> <li>◇ Percentage of staff space within standard.</li> <li>◇ Percentage variance in expenditure budget.</li> <li>◇ Number and type of complaints.</li> </ul>
5. Offices informed about policies and procedures; policies and manuals up to date and posted on WFPGo	<ul style="list-style-type: none"> <li>◇ Number of workshops held in the field, by type.</li> <li>◇ Number of audit observations, by area.</li> <li>◇ Number of staff appeals resulting from unclear or conflicting policies or guidelines.</li> <li>◇ Percentage of manuals updated within the previous 12 months.</li> </ul>

\* Delivery of results is the responsibility of the regional/divisional director.

<b>TABLE 116: RESOURCE REQUIREMENTS, 2004–2005</b>	
	<b>Total (US\$ thousand)</b>
PSA	17 550
Other	1 000
<b>Total</b>	<b>18 550</b>
Staff count	66





# ANNEX I: FOLLOW-UP TO ACABQ OBSERVATIONS AND RECOMMENDATIONS

## DOCUMENT: WFP/EB.3/2001/5(A,B,C,D)/2

### REPORT OF THE ACABQ ON "WFP BIENNIAL BUDGET FOR THE PERIOD 2002–2003"

- Observation in para. 3** ⇒ The Advisory Committee recalls paragraph 2 of its report on the WFP budget for the biennium 2000–2001 (WFP/EB.3/99/3 [A,B,C]/2), in which it stated that: "Although the document incorporates a number of recommendations and suggestions made in previous reports of the Committee, the Committee recommends that future budget documents include concise information, indicating treatment of all recommendations of the Committee, as done by the United Nations and other funds and programmes". The Committee reiterates this recommendation and notes, in particular, the lack of information regarding the treatment of its recommendations concerning posts.
- Comments/action taken and reference** ⇒ This annex responds to the above observation. WFP has gone through all the reports of the Advisory Committee on Administration and Budgetary Questions (ACABQ) that are related to finance and budgetary matters and that have been made since the WFP Budget for the biennium 2000–2001, quoted above. This annex describes the action taken in regard to the Committee recommendations.
- Observation in para. 8** ⇒ With regard to staff costs, the Advisory Committee is of the view that when such costs are adjusted under the Programme Support and Administrative (PSA) budget in response to an increased volume of operations, it is advisable to make use of short-term contracts wherever possible. Furthermore, while the Committee supports the flexibility that has been granted to the Executive Director and that enables him to raise the PSA budget when the volume of operations increases, care should also be taken to ensure that he is able to adjust the PSA component if delivery is less than forecast when fixed costs are financed from temporary adjustments. Moreover, the Executive Director should justify the continuation of additional staff who have been hired as the result of any upward adjustment of the PSA component of the budget, and should present such justification clearly in future budget submissions.
- Comments/action taken and reference** ⇒ A six-month recruitment freeze was implemented during the biennium. The Programme was stretched by the deployment of key staff in the Iraq crisis. Where possible, short-term contracts and consultants were used to stopgap in donating units, and were usually funded under direct support costs (DSC). In other cases, the staff used for an emergency operation (EMOP) are funded under DSC and the donating unit uses a related PSA post to fund short-term staff.
- Observation in para. 9** ⇒ The Advisory Committee takes note of the approximately 16 support budget initiatives to be undertaken in 2002–2003, which are outlined in paragraphs 106 to 162 of the budget document. In this connection, the Committee recalls that the previous WFP budget submission (WFP/EB.3/99/3-A) contained some 11 such initiatives, many of them in the same areas as those in the 2002–2003 budget document. However, the present budget submission makes no mention of the progress made or the results achieved in relation to the initiatives undertaken in 2000–2001. The Committee requests that, in future, the budget document provide information concerning the impact of the budget initiatives that were undertaken in the previous financial period.



- Comments/action taken and reference** ⇒ Subsequent to the above observation, WFP has produced a comprehensive annex in the report on budgetary performance for 2000–2001 (WFP EB.3/2002/5-B/1 – Annex II). Further reporting is presented in the Executive Director’s Annual Report 2002. However, in order to meet the Committee’s recommendation, the following provides an update on the budget operational initiatives planned for the 2002–2003 biennium.
- FINANCIAL MANAGEMENT IMPROVEMENT PROGRAMME (FMIP)**
- ⇒ A stand-alone report has been produced (WFP/EB.2/2002/INF/9) covering FMIP and the renaming of the WFP Information Network and Global System (WINGS). WINGS is an integrated system composed of modules covering the business processes that relate to budget, finance, human resources, procurement, accounting, logistics and payroll matters. The details of WINGS are provided under several of the items in the following pages.
- ⇒ With the exception of human resources (HR), all modules went live in January 2001. The HR module went live in January 2002, and most administrative and human resources operational and management actions are affected through the following system:
- ◇ Managers, both at HQ and in field locations, are provided with timely and up-to-date information on relevant operational programmes, thus enabling effective decision-making.
  - ◇ The standardization of requests for staffing and position actions, both at HQ and in field locations, is standardized by means of one single electronic form (the Request for Personnel Action), which makes use of the one data entry point concept, workflow capability and electronic approval documents.
  - ◇ An easy audit trail for transactions and payments data is provided.
  - ◇ Part of the HR module is still under development/revision: a “stabilization” project was carried out during 2003, and a “completion” project is expected to start in 2004.
- DECENTRALIZATION**
- ⇒ As reported in the previous budget document, WFP completed the final phase of its decentralization initiative in September 2001, when the last two regional bureaux located in Rome were moved to the field. At that time, the Africa Bureau was split and relocated to cover three regions of Africa: West Africa (in Dakar), Central Africa (in Yaoundé), and Eastern/Southern Africa (in Kampala). The Asia Bureau was relocated to Bangkok, and the Eastern Europe office started to operate in Rome. The regional bureaux for Latin America and the Caribbean and for the Mediterranean, the Middle East and Central Asia remained in Managua and Cairo, respectively. Six cluster offices were closed, but the cluster offices in Islamabad and Maputo remained in place, and the Lima cluster was converted into a regional resource mobilization office.
- ⇒ Several changes have occurred since 2001. The regional bureau in Yaoundé has been converted to the Central Africa Regional Office, and a new Southern Africa Regional Bureau (ODJ) has been established in Johannesburg. The cluster offices in Islamabad and Maputo have been closed, as has the Lima office. The Latin America and the Caribbean Regional Bureau has recently moved from Managua to Panama City, and the Eastern Europe Regional Bureau currently located in Rome is scheduled to close at the end of 2003, when oversight for the remaining four countries in that region to have operational activities will be transferred to the Mediterranean, Middle East and Central Asia Regional Bureau in Cairo.
- ⇒ A review of WFP’s decentralization process has been completed by external consultants and will be presented to the Executive Board at its Third Regular Session in October 2003.
- COMPETENCE CENTRE**
- Aim** ⇒ To ensure that the WINGS software continues to meet the evolving needs of the organization and remains current with the latest technology.



**Achievements**

- ⇒ The Competence Centre has developed into an integrated part of the Information and Communication Technology (ICT) division. The Competence Centre team advises the organization on cross-business area concerns in which the WINGS system is involved.
- ⇒ In order to ensure that the WFP version of Systems Applications Products (SAP) remains current and eligible for the support of SAP AG, the Competence Centre is planning to upgrade the SAP software to the latest release, which is expected during 2004.
- ⇒ In conjunction with an Administration Department (AD) task force, the Competence Centre is working to provide greater financial management at the regional bureau and country office levels. Access to WINGS information enables decentralized managers to respond to this new role.

**STRENGTHENING WFP'S EMERGENCY RESPONSE CAPACITY****Aim**

- ⇒ To improve the emergency response capacity in the new decentralized environment, particularly in the areas of preparedness and response.

**Achievements**

- ⇒ During the 2002–2003 biennium, WFP was able to continue strengthening its emergency response capacity, particularly in the area of emergency preparedness (EP). This was mainly owing to extra-budgetary resources that were made available through a four-year partnership agreement with the United Kingdom Department for International Development (DFID).
- ⇒ The Emergency Preparedness and Response Unit maintained its function for the strategic oversight and coordination of corporate activities in emergency preparedness, including the ongoing development and circulation of normative guidance material such as WFP's *Emergency Field Operations Pocketbook*, the "Contingency Planning Guidelines", the "Emergency Preparedness and Response Framework" and the *Programme Design Manual (PDM)*—emergency section.
- ⇒ Technical support to regional bureaux continued to be a priority area during the biennial budget period. Technical support missions on contingency planning and preparedness were fielded to Iraq and its subregion (the Islamic Republic of Iran, the Syrian Arab Republic and Jordan), Nigeria, the Former Yugoslav Republic of Macedonia, Kosovo, Colombia, Armenia, Azerbaijan, Malawi, Mozambique, Swaziland, Zambia, Lesotho, Zimbabwe, Indonesia, Iraq, the Syrian Arab Republic, Jordan, Yemen and Georgia.
- ⇒ Implementation of the corporate training programme has also been ongoing. Workshops on contingency planning have been held at five regional bureaux to date, and on emergency preparedness and response at three regional bureaux – Mediterranean, Middle East and Central Asia (ODC) in relation to Iraq, Latin America and the Caribbean (ODM) and West Africa (ODDY).
- ⇒ Institutional learning and knowledge base activities were also implemented: a desk review on food aid in urban areas has been completed; a drought review is being finalized; and planning is under way for a review of best practices for emergency preparedness. The WFP Emergency Trends Database was also developed, consolidating data on WFP's EMOPs over the past decade.
- ⇒ Efforts were made to mainstream and enhance WFP's human resource capacities in the area of emergency preparedness, including the establishment of a roster of specialists in emergency preparedness. At the same time, all regional bureaux have established emergency preparedness focal points, and these are currently being mainstreamed into the PSA.
- ⇒ Since 2002, emphasis has been placed on strengthening WFP's capacities in global early warning and developing closer linkages with emergency preparedness and planning. An internal WFP Technical Consultation was organized in September 2002, and participants from the key units and regional bureaux developed the initial proposal for a corporate framework in early warning, including key recommendations, a revised definition and guiding principles. Since then, a number of core recommendations have



been implemented, including: the introduction of a global monitoring system, and its daily circulation to staff, in order to enhance WFP's ability to detect and foresee potential new emergencies; the development and circulation of a *Global Overview of Potential and Escalating Crises*; and hazard calendars to identify the key seasons of natural disasters by country and region. These are being mainstreamed across the organization and regional bureaux.

- ⇒ OEP continued to be the focal point on emergency preparedness issues at the inter-agency level, acting as co-chair of the Inter-Agency Standing Committee (IASC) Task Force on Preparedness and Contingency Planning. During the period, WFP played a lead role in the inter-agency Iraq contingency planning and preparedness process, and preparations are currently under way for initiating inter-agency preparedness in the West Africa Coastal region. An Inter-Agency Technical Consultation on Early Warning was also organized and a second follow-up is planned. In addition to ongoing coordination within the IASC framework, OEP is also framing new potential partnerships with the New Partnership for Africa's Development (NEPAD), the International Committee of the Red Cross (ICRC), G8, and the Office for the Coordination of Humanitarian Affairs' (OCHA) Humanitarian Information Centres, particularly in the areas of information preparedness, early warning and contingency planning.
- ⇒ OEP has continued its efforts to enhance emergency preparedness information management, including a successful pilot trial of EPWeb for Iraq operations. Technical developments and improvements are enhancing the functions of EPWeb. The News Service and WFP's Emergency Report continue to be produced and circulated, and efforts are under way to review and enhance these services and the overall reporting mechanisms and systems.

## COST CONTAINMENT

### Aim

- ⇒ To monitor and review costs in order to contain operational costs to the minimum required for effective programmes.

### Achievements

- ⇒ WFP has taken various measures to keep its project costs at an appropriate level while fulfilling its mandate as a food aid organization.
- ⇒ In mid-2002, OD undertook an in-depth analysis of the relationship between the planning and the expenditures of relief operations. The total costs of projects, planned direct support costs (DSC) and expenditures were reviewed for the period 1996 to 2000. Selected country offices were visited and, to the extent possible, comparisons were drawn with the experiences of other humanitarian agencies operating under similar circumstances. (The trend of DSC for relief operations over the past five years was used to provide average cost requirements for protracted relief and recovery operations [PRROs] and EMOPs, and is useful as a benchmark when new operations are being designed.)
- ⇒ Another practical method to contain costs, which was reported to the Executive Board in the 2002–2003 biennium budget, is to recruit more national officers in lieu of international officers, whenever possible. National officers cost less than international professional staff, and provide more sustainable implementation of operations within WFP country offices.
- ⇒ Regular reviews of landside storage, transport and handling (LTSH) costs are being conducted, usually at least every six months. These reviews detect any cost changes from the original planned budget and, if necessary, suggest adjustments that can be made formally through budget revisions.
- ⇒ During 2002 and 2003 a massive effort was made to close more than 350 operations that were no longer operationally active, thereby liberating unspent balances for operations that are still active (subject to donor agreement). This allows for more streamlined, clean and transparent financial management in WFP's operations.

## SCHOOL FEEDING: School Feeding Support Unit (SPF)

### Aim

- ⇒ To provide expert assistance (through staff or consultants) for field missions, training and other activities in the design, improvement and monitoring of WFP's school feeding activities.





**Achievements**

- ⇒ Baseline surveys were completed in all of the 67 countries that receive WFP school feeding assistance.
- ⇒ Argos devices were installed in participating countries.
- ⇒ In 2002–2003, SPF provided, or facilitated the provision of, technical assistance to approximately 30 countries and two regional bureaux, and more technical assistance will be provided before the end of 2003 (in Iraq, the Sudan and, possibly, other countries). The new Sahel Alliance was developed via technical assistance missions to all the nine countries concerned. Country visits are being carried out in Southern Africa as a step towards establishing a regional school feeding strategy there. Once again, SPF sponsored participants in the Global Child Nutrition Forum hosted by the American School Food Service Association in July. Several concrete steps have been taken to establish a new, membership-driven Latin America School Feeding Network, to be launched officially in 2004.
- ⇒ SPF has achieved substantial progress with the United Nations Children's Fund (UNICEF) partnership, especially vis-à-vis the "minimum package" approach of UNICEF interventions linked to WFP-assisted schools, and the "Back to Peace and Back to School" campaigns for post-conflict situations. SPF has continued to develop excellent partnerships with the World Health Organization (WHO) for deworming, the United Nations University (UNU) for a variety of technical activities, the United Nations Educational, Scientific and Cultural Organization (UNESCO) for technical assistance to field operations and cooperation in Education for All initiatives, the American School Food Service Association (ASFSA) and the Government of Chile for the Latin America School Feeding Network, and the International Food Policy Research Institute (IFPRI) for special studies. New work was started with the Food and Agriculture Organization of the United Nations (FAO) on school gardens, the African Development Bank in two West African countries, NEPAD/Agriculture, the World Bank on a major study of school feeding, and the TPG on the corporate staff volunteer programme.

According to paragraph 129 of the WFP budget document 2002–2003 (WFP/EB.3/2001/5-C/1) WFP costs for school feeding activities were expected to total US\$1.48 million. In August 2003, WFP had already incurred US\$2.08 million for this activity.

**SECURITY OF WFP STAFF AND ASSETS****Aim**

- ⇒ To implement the Minimum Operating Security Standards (MOSS) and the Minimum Security Telecommunications Standards (MISTS) at all WFP locations.

**Achievements**

- ⇒ MOSS/MISTS compliance for all WFP country offices is expected to be finalized by the end of 2003/the beginning of 2004. The WFP Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST) has been heading this initiative from its newly established base in Dubai. FITTEST is now spearheading most of WFP's EMOPs by providing the necessary IT and telecommunication infrastructure to enable WFP to carry out its mandate. A number of other agencies and non-governmental organization (NGO) partners rely on WFP/FITTEST to provide this service – as always, on a full-cost recovery basis.
- ⇒ As recommended by the High-Level Committee on Management (HLCM), a senior manager, i.e., the Chief of the Headquarters and Field Security Branch (MSS), has been identified as the MOSS focal point to liaise with the Office of the United Nations Security Coordinator (UNSECOORD) and to participate in MOSS working groups. The HLCM's statement endorsing MOSS has been circulated to all WFP Country Directors.
- ⇒ MOSS compliance requires additional funding because the correction of deficiencies continues to be problematic for all agencies. WFP would like as many common items as possible to be mainstreamed so that they can be funded out of the United Nations cost-sharing agreement or through a request in the consolidated appeal process (CAP).



- Aim** ⇒ To optimize the deployment and utilization of Field Security Officers (FSOs) in post-decentralization environments.
- Achievements**
- ⇒ UNSECOORD has staffed and deployed 100 professional FSOs as part of the agreed cost sharing of the United Nations Security Management System. WFP initiated regular conference calls with UNSECOORD and the other field-based agencies in order to determine the best way of deploying the FSOs, based on need and impact.
- ⇒ As the number of common-funded FSOs is not adequate to fulfil the needs of WFP and its implementing partners, WFP maintains a number of agency-specific FSOs to meet its operational security requirements. These WFP FSOs have played a critical role in enabling the safe conduct of operations in crisis areas such as Afghanistan and Iraq, as well as in other areas of reduced security. As well as EMOPs, WFP security staff also covered investigations and performed follow-up assessments in South Africa, Nepal, Bangladesh and Palestine. A security officer was specifically deployed to look into security for female staff members in the field; the findings were shared with UNSECOORD and other United Nations agencies.
- Aim** ⇒ To provide for a cadre of Regional Security Advisers (RSAs) to meet the evolving needs of WFP and its implementing partners.
- Achievements**
- ⇒ MSS compiled the terms of reference for Regional Security Advisers (RSA), and requested the regional bureaux to include an RSA post in each of their respective budgets for the next biennium.
- ⇒ The concept of an RSA is not new, as both the West Africa Regional Bureau (ODD) and ODJ currently employ FSOs in this capacity in their respective regions. Because of their specific knowledge of the region and their mobility, the role played by RSAs has had a positive impact on WFP operations. Regional Directors have been able to deploy RSAs at short notice to assist country offices where the security situation has deteriorated to the point of placing both staff and WFP property at risk. MSS has recommended that the costs involved be part of the PSA budget, and not DSC, in order to avoid a negative impact, especially where the total tonnage is small.
- Aim** ⇒ To take stock of and act upon lessons related to security:
- a) giving more attention to the reporting of security incidents, the analysis of security incidents and collaboration with other partners;
- b) including security aspects in regular evaluations;
- c) reviewing the effectiveness of security awareness training programmes.
- Achievement** ⇒ During the current biennium, MSS provided daily analytical support to the WFP Situation Room and posted a professional Security Officer there in order to achieve better synergy. MSS also provided WFP country offices and regional bureaux with guidance and support on a wide range of security matters, as/when requested, and introduced weekly security updates for all WFP Executive Staff. An effort was made to standardize and regularize the format and frequency of significant incident reporting from the field, which is done electronically by e-mail. WFP FSOs also played an active role in Security Awareness Training (SAT) workshops. WFP has actively supported mandatory SAT for all of its staff, and more than 11,000 people have completed the three-day SAT course over the past four years. Concerning training, WFP was part of the team of field-based agencies that collaborated with UNSECOORD to develop the CD-ROM "Basic Security in the Field: Safety, Health and Welfare", which was issued in February 2003 by the United Nations Security Coordinator.
- Aim** ⇒ To reflect responsibilities for the management of staff security in managers' job descriptions.
- Achievement** ⇒ On 15 January 2003, the Executive Director issued the WFP Corporate Security Management Policy (ED2003/001) in direct response to the Secretary-General's request in his Report to the General Assembly ("Inter-Organizational Security Measures; Framework for Accountability for the United Nations Field Security Management System" [ref. A/57/365]) asking all agencies to develop an organizational policy statement incorporating the principles of accountability and outlining the role and responsibilities of



each individual in the security management system. This circular will be followed by appropriate administration department and management services directives concerning security policies and procedures, as required.

- Aim** ⇒ To continue to give priority to addressing the shortcomings of the current security system.
- Achievement** ⇒ WFP has continued to advocate, in all the available fora (e.g., the Chief Executive Board, HLCM), for a strengthened United Nations Security Management System. It is an active player and contributor in building a more robust governance mechanism. Along with the other major field-based agencies (UNICEF, WHO, the Office of the United Nations High Commissioner for Refugees [UNHCR] and the United Nations Development Programme [UNDP]), WFP is a member of every working group on security matters in the United Nations System. As a key member of the Inter-Agency Security Management Network (IASMN), WFP's recent contributions on air safety standards, MOSS/MISTS, FSO development, SAT and critical incident stress counselling have been recognized.
- Aim** ⇒ To continue to engage with Member States and agencies to discuss funding arrangements.
- Achievement** ⇒ The current cost-sharing mechanism has been extended to the next biennium; WFP's share will be based on the results of the census of all United Nations staff in the field, which was to be conducted on 18 July 2003. As the Executive Board was informed in Information Note WFP/EB.A/2003/8-D, the Executive Director will continue the dialogue with Member States, the Secretary-General and other executive heads of agencies so that the General Assembly can consider revising the funding of the United Nations Security Management System from the United Nations regular budget.
- Aim** ⇒ To request the Executive Board to cover the additional staff safety and security costs of an expanded UNSECOORD.
- Achievements**
- ⇒ At its Third Regular Session in October 2001, the Executive Board considered the Executive Director's proposal (contained in document WFP/EB.3.2001/INF/19) for the establishment of a funding mechanism for WFP to cover its share of costs under the new arrangement for the United Nations security management system.
- ⇒ The Board authorized the one-off use of the General Fund to fund WFP's share of the 2002–2003 UNSECOORD budget, to the amount that the General Assembly had approved at that time, which was estimated to be US\$6.5 million. Owing to the fact that FSOs were hired more rapidly than anticipated, it is now projected that WFP's actual share for the current biennium will be \$7.2 million.

## TELECOMMUNICATIONS

- Aim** ⇒ To enhance the ability to communicate in the decentralized environment, by improving the efficiency of operations and creating strategic linkages through improved connectivity.
- Achievements**
- ⇒ In support of the WINGS roll-out to country offices, ICT has made a number of improvements to the wide-area network (WAN) infrastructure. More than 60 countries have been added to the WAN, and the capacity to access the Internet has been doubled. A quality of service project for WAN traffic is under way.
- ⇒ Support to the field has been extended by a number of missions providing technical specialists to assist local ICT staff. A 24-hours-a-day, seven-days-a-week ICT support service has been implemented to assist ICT field staff throughout the world. In order to improve the WAN even further, an ICT project is under way to define a new very small aperture terminal (VSAT) standard that will involve low capital and recurrent costs.
- ⇒ Implementation of MISTS is a continuing activity. MISTS compliance has been the priority of ICT's FITTEST team in each of the new emergency situations that it enters. The team has also reviewed MISTS compliance in



a number of countries.

- ⇒ ICT's FITTEST team has been consolidated and relocated to Dubai. This has allowed ICT to play a crucial role in equipping WFP and inter-agency operations in Iraq with the telecommunications that are needed for security and operations. It is becoming increasingly obvious that ICT activities are a fundamental part of any WFP operation, and not just a support activity.
  
- ⇒ The flexibility of the FITTEST model also contributed to the roll-out of WINGS to a number of country offices throughout 2003, as well as providing ad hoc support in other areas. Field staff have received training sessions on WFP's use of specific technologies. ICT's Business Coordination Branch has developed a strategy for the training of field staff, in partnership with the Department of Peacekeeping Operations (DPKO), which has agreed to start reserving places for WFP participants. ICT has ensured that a training component is included in all new equipment purchases.
  
- ⇒ The Deep Field Mailing System (DFMS) was based on obsolete technology that is no longer supported by the current IT platforms. ICT has undertaken to develop and produce the prototype of a replacement system, which will allow e-mail to be delivered to the deep field, as before, but with many of the benefits of Lotus Notes functionality included.

According to paragraph 138 (WFP/EB.3/2001/5-C/1), WFP costs for security activities were expected to total US\$12 million. In paragraph 141, it was estimated that a further US\$4 million would be used for telecommunications. Since the two initiatives are somewhat overlapping, reporting will cover both.

Up to August 2003, WFP had spent US\$4.3 million on security equipment, communication equipment and contributions to field security. The Programme had also employed one P5 Chief Security Officer, five P4 Security Officers and five P3 Security Officers. At standard rates, these posts would cost a total of US\$2.9 million for the biennium. In addition, the Security Office in Rome has spent US\$0.6 million to support security in the field and at headquarters. Other costs related to security officers stationed in the field (duty travel etc.) have not been estimated as security officers are an integral part of each office/operation and the costs for these are not usually broken down by job function.

Some major changes have occurred in the area of telecommunications. WFP has centralized FITTEST in Dubai, and FITTEST is now playing a major role in practically every EMOP by providing the IT and telecommunications services that WFP (and other agencies) need to operate on the ground. The FITTEST team has been in charge of upgrading all country offices to MISTS compliance. A total of US\$1.65 from the Capital Asset Fund is expected to be utilized for the MISTS upgrade.

The turnover through FITTEST has increased rapidly over the last biennium. This has partly been owing to large interventions in Afghanistan and Iraq, but is also the result of an increased general demand for these types of services, from both WFP and external parties. In 2002, the total expenditure going through FITTEST was US\$2.4 million, rising to \$8 million in the first eight months of 2003.

## STAFF DEVELOPMENT AND TRAINING

- |                     |  |
|---------------------|--|
| <b>Aim</b>          | ⇒ To assist staff to strengthen the knowledge, skills and attitudes that they require for working effectively in a decentralized environment.  |
| <b>Achievements</b> | <ul style="list-style-type: none"> <li>⇒ Emergency-related training:           <ul style="list-style-type: none"> <li>◇ Two emergency response training sessions were conducted: 54 staff members were trained. During 2002, staff from the Emergency Response Register (ERR) were deployed on 34 occasions. A pilot regional emergency training session was designed and conducted in Cairo: 30 staff members were trained.</li> <li>◇ A needs assessment of the skills that sub-office heads require in emergency situations was carried out.</li> </ul> </li> </ul> |



- ⇒ Security awareness:
  - ◇ 1,472 staff members received security awareness, first aid or fire safety training.
  - ◇ Strategic planning exercises for SAT were completed in all regional bureaux.
  - ◇ 59 SAT trainers received basic training materials on HIV/AIDS issues.
- ⇒ WINGS:
  - ◇ 672 staff members were trained in 97 courses.
  - ◇ A training strategy for WINGS explorer was developed.
- ⇒ Support to organizational change:
  - ◇ Management training for approximately 60 managers was conducted and evaluated. Evaluation suggested areas for change, and changes will be established in 2004.
  - ◇ An evaluation of the Professional Development Programme was conducted and produced.
- ⇒ Coordination and harmonization learning activities:
  - ◇ A strengths, weaknesses, opportunities and threats (SWOT) assessment of learning activities in WFP was produced.
  - ◇ Learning leaders were identified. A workshop for 15 learning leaders was held, and goals and objectives for the learning leader initiative were established.
  - ◇ Design of the learning Web site was completed (having not been completed in 2002).

According to paragraph 145 (WFP/EB.3/2001/5-C/1), WFP costs for training activities were expected to total US\$4.5 million. In August 2003, WFP had already spent US\$4 million on such activities.

#### STAFF COUNSELLING AND PEER SUPPORT PROGRAMME

- |                     |  |
|---------------------|--|
| <b>Aim</b>          | ⇒ To support and assist staff who are experiencing, or have experienced, traumatic or stress-related incidents, and to establish a peer support programme.   |
| <b>Achievements</b> | ⇒ A staff counselling unit with four staff counsellors offers support to WFP field operations. In addition, the services of consultant counsellors are engaged to assist in special cases, when required.  |
|                     | ⇒ The Programme has established a Peer Support Volunteer network. Volunteers are WFP staff who have been trained to assist other staff to cope with traumatic incidents, risk and stress. They supplement and facilitate the work of the counsellors. Through more than 150 trained peer support volunteers globally, the Programme is providing support to its staff and their dependants at its operational duty stations. |
|                     | ⇒ As part of the Programme's inter-agency collaboration, the counsellors have also provided support, on request, to various United Nations organizations. They have also formed a network with counsellors from other United Nations organizations in order to provide coordinated and effective intervention, especially during emergencies and security incidents.   |

According to paragraph 148 (WFP/EB.3/2001/5-C/1), WFP costs for counselling activities were expected to total US\$0.9 million. In August 2003, WFP had already spent \$0.6 million on this activity.

#### JUNIOR PROFESSIONAL OFFICE (JPO) PROGRAMME

- |                     |   |
|---------------------|---|
| <b>Aim</b>          | ⇒ To attract and maintain donors' support of the JPO programme, and to provide a pool of qualified candidates for WFP assignments.            |
| <b>Achievements</b> | ⇒ The JPO Programme provides selected candidates with the opportunity to gain experience in WFP operations. Currently, 75 percent of JPOs are |



located in the field and 25 percent are at headquarters.

- ⇒ Sponsored by their governments, JPOs serve as a valuable pool of qualified and experienced candidates from which WFP can recruit. Last year, 77 percent of those JPOs who had completed their assignments were retained by WFP.
- ⇒ Donor governments have continued to support WFP's JPO Programme, and last year the number of JPOs increased. As of 30 June 2003, 69 JPOs were working for WFP.

According to paragraph 151 (WFP/EB.3/2001/5-C/1), it was expected that WFP would receive revenues of approximately US\$14 million for JPOs. In August 2003, WFP had received US\$9.2 million in contributions.

### UPGRADING OF POSTS FOR 2002–2003

- Aim** ⇒ For the 2002–2003 biennium, the Executive Director sought the Executive Board's authority for 20 post upgrades.
- Achievements** ⇒ The 20 post upgrades approved by the Board were utilized and assigned as shown in the following table.

POST UPGRADES		
Current grade	New grade	Number
D-1	D-2	2
P-5	D-1	7
P-4	P-5	2
P-3	P-4	0
P-2	P-3	0
G-7	P-2	0
G-6	G-7	0
G-5	G-6	2
G-4	G-5	2
G-3	G-4	1
G-2	G-3	1
<b>TOTAL</b>		<b>17</b>

Seven of the 17 upgrades were for Country Director positions. The Iraq Country Director position has been upgraded from D1 to D2 owing to increased responsibilities and WFP's role as the largest agency in the country. Five Country Director positions (Zimbabwe, Malawi, the United Republic of Tanzania, Colombia and Tajikistan) have been upgraded from P5 to D1. The Central Africa Republic Country Director position has been upgraded from P4 to P5. The Director position at the Brussels office has been upgraded from P4 to D1 owing to the further decentralization of fund-raising activities. At headquarters, the Chief of Nutrition has been upgraded from P5 to D1, and six General Service positions in the Office of the Executive Director (OED), the Public Affairs Service (REP), OEP and MSS have been upgraded.

### UNITED NATIONS COORDINATION

- Aim** ⇒ In order to ensure an effective and coherent follow-up to the Millennium Declaration, as well as to the summit follow-up processes and major



## Achievements

- international conferences, WFP will continue to play an active and constructive role in the strengthening of United Nations coordination.
- ⇒ At the Financing for Development Conference, FAO, the International Fund for Agricultural Development (IFAD) and WFP highlighted both the need to eradicate hunger, as the first step towards poverty reduction and the need to provide a stronger rural focus to national development strategies. The agencies' twin-track approach to reducing hunger was the centrepiece of a well-attended side-event sponsored jointly with the World Bank.
  - ⇒ At the World Summit on Sustainable Development (WSSD), the Executive Director underscored the role of food-assisted education and training activities in meeting the Millennium Development Goals (MDGs) on universal primary education and poverty eradication. He also supported the launching of the FAO/UNESCO Education for All Flagship Programme on Education for Rural People.
  - ⇒ WFP participated in the annual session of the Economic and Social Council (ECOSOC). The Executive Director highlighted WFP's school feeding and food-for-education activities in his statement.
  - ⇒ WFP participated in various agenda items of the FAO Council, as relevant to the functions of the offices concerned. WFP's Executive Director presented the Annual Report of WFP to the FAO Council.
  - ⇒ WFP and IFAD implemented or planned joint activities in 19 countries, assisting more than 2.5 million people facing poverty and food insecurity. WFP provided food to complement IFAD's rural infrastructure rehabilitation schemes and its micro-credit and savings training activities.
  - ⇒ WFP and FAO implemented joint projects in 24 countries, combining food aid with technical assistance to enable households to participate in agricultural and livelihood training programmes, construct community assets, and protect the seeds supplied for replanting after disasters from being eaten or sold.
  - ⇒ WFP and UNICEF launched a new partnership to support school-age children's education, nutrition and health through a "minimum" package of cost-effective interventions. UNICEF and WFP country offices in 17 countries agreed to collaborate on implementation of this package, which includes school feeding, support to basic education, promoting girls' education, systematic deworming and the provision of potable water and latrines.
  - ⇒ WFP continued efforts to strengthen its participation in the CAP. In 2002, an Operations Department directive was issued, highlighting the importance of WFP involvement in the CAP and clarifying WFP roles and responsibilities, as well as financial reporting issues. Two CAP training sessions were offered to Country Directors and representatives from regional bureaux and relevant headquarters units, as well as WFP's CAP focal points in the country offices. The Executive Director hosted the 2003 CAP launch in Tokyo, drawing attention to the crisis in Southern Africa where he serves as the Secretary-General's Special Envoy for Humanitarian Needs.
  - ⇒ The eighth annual WFP/NGO consultation resulted in a new WFP/NGO field-level agreement, which standardizes across countries and regions. A newsletter was launched to inform NGOs of major WFP developments.
  - ⇒ In July 2002, WFP and UNHCR signed a new Memorandum of Understanding (MOU) to strengthen their joint assistance to millions of refugees, returnees and internally displaced persons (IDPs). Changes included: expanding the scope of joint assessments to cover overall relief needs, including non-food items; enhancing joint decision-making and activity implementation; increasing the focus on helping beneficiaries to pursue self-sufficiency; and increasing accountability and transparency, for example through more regular data collection.
  - ⇒ WFP and UNESCO increased their collaboration in school feeding programmes. The UNESCO/WFP Cooperative Programme, Education Sector unit at UNESCO headquarters provided support in the design, preparation and evaluation of WFP school feeding programmes, as well as to the development of normative guidance and management tools.



- ⇒ WFP jointly implemented a project with WHO in Uganda to improve the quality of life of people living with HIV/AIDS, as well as that of their families, through improved nutrition and community home-based care.
- ⇒ WFP worked closely with the Joint United Nations Programme on HIV/AIDS (UNAIDS) in China to provide basic information on HIV/AIDS to 200,000 farmers in areas where WFP operates; the information campaign was coordinated with the Ministry of Agriculture.
- ⇒ WFP contributed to United Nations Development Group (UNDG) efforts to revise the guidelines for the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and developed a CCA/UNDAF quality support and assurance system. WFP was involved in preparing nine CCAs and ten UNDAFs in countries where it has country programmes (CPs) or development activities.
- ⇒ WFP lent its extensive humanitarian experience to the Executive Committee on Humanitarian Affairs' (ECHA) deliberations on the development of common strategies for particular humanitarian crises. The Programme also helped to establish a joint UNDG/ECHA working group on countries in transition from relief to development, with the aim of developing coherent guidance on United Nations approaches in these countries.
- ⇒ WFP participated in all four working group sessions of the IASC, and the Executive Director participated in the two plenary sessions. As co-chair of the IASC Task Force on Preparedness and Contingency Planning, WFP led the development and testing of new approaches to inter-agency preparedness, including efforts to enhance inter-agency preparedness for a potential humanitarian crisis in the Middle East. The Programme also continued to co-chair the Task Force on Gender, which has been crucial in promoting gender perspectives in inter-agency humanitarian interventions.

#### INDEFINITE CONTRACT

##### Observation in para. 14

- ⇒ In response to its enquiry concerning the impact that the introduction of indefinite contracts has had on personnel management, the Advisory Committee was informed that it was too soon to make a proper evaluation. The Committee requests that this issue be addressed in the next budget submission.

##### Comments/action taken and reference

- ⇒ When the Indefinite Appointment was approved towards the end of 2000 (to become effective from 1 January 2001), WFP undertook two corporate reviews of all international staff holding Fixed-Term Project contracts. These reviews were carried out in November 2000 and February 2001, respectively.
- ⇒ As of 30 September 2000, 48 percent of the 900 international professional staff were on Non-Core Project contracts, which were limited to a maximum of four years and extended strictly on the basis of funding for the post occupied, i.e., for one month, three months, seven months, to a maximum of 12 months. Fourteen percent of the staff were on Core Project contracts that did not carry the four-year limitation, but were extended on a yearly basis. Consequently, more than 50 percent of the Programme's staff required continuous administrative action to identify funds, extend contracts and carry out other related administrative activities regarding benefits such as home leave, education grants and travel, family visits and other entitlements directly related to the length of each contract.
- ⇒ In addition to the staff morale issue that results from the inconsistent treatment of staff members who work side by side, and the intrinsic job insecurity, the limited length of contracts resulted in the labour-intensive administration of staff rotation to reassign staff to the areas/activities were they were required.
- ⇒ As of 30 April 2003, the Programme had 1,006 international professional staff. All of this staff have contracts for at least one year, and 77 percent are mobile and, thus, routinely administered through the rotation process or assigned to temporary duties, depending on workload requirements. As a consequence, the number of staff members considered within the





reassignment and promotion process has increased, but all staff are administered in an effective, streamlined and transparent manner.

- ⇒ During the last year, and following discussions with staff and management, the HR Strategic Plan has been developed, and some procedural modalities have been incorporated in the Indefinite Appointment. The granting of Indefinite Appointments follows a yearly corporate review of serving staff who have been recruited on Fixed-Term appointments, have completed their 12-month probationary periods and have confirmed their knowledge of a second United Nations/WFP language.
- ⇒ In light of the above, two years after the Indefinite Appointment was established, and following the recent review and discussion process that resulted in the development of the HR Strategic Plan, WFP considers the Indefinite Appointment to be an effective contractual mechanism that meets its humanitarian food aid mandate and funding modalities.

**DOCUMENT: WFP/EB.A/2002/6(A,C)/2**

**REPORT OF THE ACABQ ON “PRELIMINARY REVIEW OF THE INDIRECT SUPPORT COST RATE”**

- Observation in para. 11** ⇒ The Committee also recommends that the alternative of increasing the single rate, even if just marginally, be taken into account in the analysis of the PSA rates. This could prove more cost-effective to implement than the introduction of additional rates. In analysing the PSA cost structure, consideration should be given to decreasing the ratio of fixed to variable costs, as recommended in the past by the Committee, by establishing mechanisms by which the Programme would react to changes in volume of operations, for example, through use of contractual arrangements that allow for a decrease in staffing costs.
- Comments/action taken and reference** ⇒ The single indirect support costs (ISC) rate was reduced from 7.8 to 7.0 percent for the second year of the biennium; thus it was 7.8 percent for 2002 and 7.0 percent for 2003. The proposed budget for 2004–2005 is based on the reduced rate of 7.0 percent.
- ⇒ Details of the PSA cost structure have been provided in Section III of this report.

**DOCUMENT: WFP/EB.3/2002/5(A,B,C,D,E)/2**

**REPORT OF THE ACABQ ON “AUDITED BIENNIAL ACCOUNTS (2000–2001)”, “FINAL REPORT ON THE ANALYSIS OF THE ISC RATE”, “FINAL REPORT ON BALANCES OF PROJECTS CLOSED PRIOR TO 2001 AND MIGRATED TO WINGS”**

- Observation in paras. 9–19** ⇒ Upon enquiry, the representatives of the Executive Director informed the Committee that reclassification of the variable elements of the PSA would be applied in the context of the preparation and implementation of the PSA budget for 2004–2005. In this connection the Committee recommends that, in the context of the preparation of the 2004–2005 budget on a zero basis, a rigorous examination be made with a view to setting clear criteria for determining elements for PSA expenditure in field offices.
- Comments/action taken and reference** ⇒ This issue has been addressed in Section III of this report.

**DOCUMENT: WFP/EB.3/2002/5(A,B,C,D,E)/2**

**REPORT OF THE ACABQ ON “AUDITED BIENNIAL ACCOUNTS (2000–2001)”**

- Observation in para. 28** ⇒ The Committee notes the action proposed by the Executive Director and trusts that, with the deployment of WINGS, it will be possible for WFP to increase operational efficiency and to monitor income and expenditure more accurately. The Committee requests that the results of the action taken be reported in the context of the proposed budget for 2004–2005, including proposals on the most realistic cash balances for operational activities.
- Comments/action taken** ⇒ Reporting to the Executive Board on the cash balance in October 2002. the



**and reference**

Executive director presented an action plan to bring the current cash balances to appropriate levels. The ACABQ had requested that the results of action taken be reported in the context of the proposed budget for 2004–2005, and that proposals on the most realistic cash balances for operational activities be made.

- ⇒ The action plan included consultations with donors concerning the reprogramming or refunding of the unspent balances of closed and completed projects, improved consultation with donors on the utilization of their contributions, periodic analyses of the status of contributions and disbursements, an in-depth review of cost categories with large remaining cash balances, and periodic analyses of budget and expenditures.
- ⇒ The Secretariat has continued the project closure exercises that are intended to release cash resources. The Secretariat has consulted donors on the reprogramming of unspent balances, and taken appropriate action. The Secretariat is also engaged in more active consultation with donors regarding the early utilization of their contributions, thereby allowing reprogramming before the closure of a project and the expiry of the contributions.
- ⇒ With a view to improving the operational efficiency of the use of cash and contributions, the Secretariat is undertaking a comprehensive business process review (BPR). Some changes have already been introduced; for example, processes have been streamlined by releasing the funds for project expenditures at the time that purchase orders for commodities are raised. The BPR includes a component for assessing working capital requirements and a change in the modality of operations. The aim of these initiatives is to transfer risks from beneficiaries to the organization by providing smoother assistance that is not affected by the timing of the receipt of contributions. These and other initiatives set out in the Management Plan should lead to the stabilization of cash balances throughout 2004–2005.

**DOCUMENT: WFP/EB.A/2003/6(A,B,C)/2****REPORT OF THE ACABQ ON “ISSUES ON FINANCIAL POLICIES”,  
“COMPREHENSIVE FINANCIAL REPORT”****Observation in cover  
letter**

- ⇒ The application of the zero-based budgeting approach in the preparation of the 2004–2005 Management Plan will include a review of fixed and variable costs and direct and indirect programme costs. The Committee will therefore revert to this issue when it considers the report of the Executive Director in autumn 2003.

**Comments/action taken  
and reference**

- ⇒ Details of the PSA cost structure have been provided in Section III of this report.



## ANNEX II

TABLE A.1: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2002-2003

(in million US\$)	General Fund	Development	EMOP	PRRO	Special Operations	Bilaterals and Others	TOTAL
<b>2002-2003 Opening balance**</b>	192	224	728	393	36	74	1 647
<b>Add: Estimated contributions and income</b>							
Commodity contributions	0	262	1 230	386	0	0	1 878
Other contributions	0	199	1 420	546	81	241	2 487
<b>Sub-total</b>	<b>0</b>	<b>461</b>	<b>2 650</b>	<b>932</b>	<b>81</b>	<b>241</b>	<b>4 365</b>
Interest and other income	39	0	0	0	0	0	39
Transfer of indirect support cost contributions to General Fund	271	(32)	(164)	(58)	(5)	(12)	0
<b>TOTAL</b>	<b>310</b>	<b>429</b>	<b>2 486</b>	<b>874</b>	<b>76</b>	<b>229</b>	<b>4 404</b>
<b>Less: Estimated expenditures</b>							
Operational costs in commodities	0	262	1 230	386	0	0	1 878
Other operational costs:							
Ocean transport	0	55	286	136	0	0	477
LTSH	0	65	673	244	0	0	982
Other direct operational costs	0	11	52	10	69	152	294
Direct support costs	0	36	245	98	7	57	443
Indirect support costs	231	0	0	0	0	0	231
Others*	79	0	0	0	0	20	99
<b>TOTAL</b>	<b>310</b>	<b>429</b>	<b>2 486</b>	<b>874</b>	<b>76</b>	<b>229</b>	<b>4 404</b>
<b>Other adjustments</b>							
Programming of unused fund balances	(30)	(3)	(31)	(17)	(2)	0	(83)
Refund of unused balances	(21)	0	(19)	(6)	0	0	(46)
Provisions	0	(31)	(128)	(63)	(4)	0	(226)
Miscellaneous	4	0	0	0	0	0	4
<b>2002-2003 Closing balance</b>	<b>145</b>	<b>190</b>	<b>550</b>	<b>307</b>	<b>30</b>	<b>74</b>	<b>1 296</b>
<i>Volume (in thousand tons)</i>		1 148	5 808	1 760			8 716



**TABLE A.2: PROJECTED BALANCE SHEET AS AT 31 DECEMBER 2003**

<b>(in million US\$)</b>	
<b>ASSETS</b>	
Cash and short-term investments	572.6
Funds held in trust by Country Offices	49.0
Accounts receivable	117.8
Long-term investments in STRIPS	64.2
Contributions receivable - Current year 2003	1 977.5
<b>TOTAL ASSETS</b>	<b>2 781.1</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	142.7
Outstanding obligations	787.1
CERF loan	0.0
Funds held in trust by Country Offices	47.0
<b>Total Current Liabilities</b>	<b>976.8</b>
Long-term Liabilities	
Staff-benefit funds	65.4
Long-term loan	106.0
<b>Total Long-term Liabilities</b>	<b>171.4</b>
<b>TOTAL LIABILITIES</b>	<b>1 148.2</b>
<b>DEFERRED INCOME</b>	<b>228.9</b>
<b>RESERVES AND FUND BALANCES</b>	
Operational reserve	57.0
Immediate response account	29.0
DSC advance facility	9.0
Other reserve accounts	12.4
Fund balances	1 296.6
<b>TOTAL RESERVES AND FUND BALANCES</b>	<b>1 404.0</b>
<b>TOTAL LIABILITIES, RESERVES &amp; FUND BALANCES</b>	<b>2 781.1</b>



TABLE A.3: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2004-2005

(in million US\$)	General Fund	Development	EMOP	PRRO	Special Operations	Bilaterals and Others	TOTAL
<b>2002-2003 Opening balance**</b>	145	190	550	307	30	74	1 296
<b>Add: Estimated contributions and income</b>							
Commodity contributions	0	336	657	961	0	0	1 954
Other contributions	0	304	836	1 421	30	143	2 734
<b>Sub-total</b>	<b>0</b>	<b>640</b>	<b>1 493</b>	<b>2 382</b>	<b>30</b>	<b>143</b>	<b>4 688</b>
Interest and other income	96	0	0	0	0	0	96
Transfer of indirect support cost contributions to General Fund	305	(42)	(98)	(156)	(2)	(7)	0
<b>TOTAL</b>	<b>401</b>	<b>598</b>	<b>1 395</b>	<b>2 226</b>	<b>28</b>	<b>136</b>	<b>4 784</b>
<b>Less: Estimated expenditures</b>							
Operational costs in commodities	0	336	657	961	0	0	1 954
Other operational costs:							
Ocean transport	0	109	219	377	0	0	705
LTSH	0	78	357	629	0	0	1 064
Other direct operational costs	0	16	24	38	25	75	178
Direct support costs	0	59	138	221	3	40	461
Indirect support costs	305	0	0	0	0	0	305
Others*	96	0	0	0	0	21	117
<b>TOTAL</b>	<b>401</b>	<b>598</b>	<b>1 395</b>	<b>2 226</b>	<b>28</b>	<b>136</b>	<b>4 784</b>
<b>2004-05 Closing balance</b>	<b>145</b>	<b>190</b>	<b>550</b>	<b>307</b>	<b>30</b>	<b>74</b>	<b>1 296</b>
<i>Volume (in thousand tons)</i>		1 420	3 190	4 357			8 967



Table B: PSA and DSC Staffing Table, by Appropriation Line, 2002-2003 and 2004-2005

Division / Unit	International professional category and above										Others		
	ED	DED/AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	Category	Grand Total
<b>A. PROGRAMME SUPPORT - REGIONAL BUREAUX AND COUNTRY OFFICES</b>													
<b>Regional bureaux</b>													
<b>Asia</b>													
2002-2003			1.0	1.0	3.0	7.0	3.0			15.0	2.0	17.2	34.2
2004-2005			1.0	1.0	5.0	7.0	2.0	1.0		17.0	2.0	19.0	38.0
2002-2003							2.0	1.0		3.0	1.0	1.0	5.0
<b>Eastern Europe</b>													
2002-2003	PSA									-			-
2004-2005	PSA (moved to ODC)												
2002-2003	DSC		1.0	2.0	5.0					8.0	6.0		14.0
<b>Latin America and Caribbean</b>													
2002-2003	PSA		1.0	1.0	1.0	7.0	3.0			13.0	3.0	15.0	31.0
2004-2005	PSA		1.0	1.0	3.0	6.0	3.0			14.0	2.0	20.0	36.0
<b>Mediterranean, Middle East and Central Asia</b>													
2002-2003	PSA		1.0	1.0	1.0	7.0	2.0			12.0	5.0	10.0	27.0
2004-2005	PSA		1.0	1.0	7.3	7.3	3.0	2.0		21.6	5.0	25.5	52.1
2002-2003	DSC			2.0	1.0	5.0		1.0		9.0		16.0	25.0
<b>Eastern &amp; Central Africa</b>													
2002-2003	PSA		1.0	1.0	4.0	5.0	3.0			14.0	5.0	12.0	31.0
2004-2005	PSA		1.0	1.0	4.0	9.0	6.0	2.0		23.0	9.0	20.0	52.0
2002-2003	DSC					8.0				8.0	2.0	23.0	33.0
<b>West Africa</b>													
2002-2003	PSA		1.0	2.0	4.0	7.0	4.0			18.0	8.0	24.0	50.0
2004-2005	PSA (incl ODDY)		1.0	3.0	7.0	9.0	6.5	2.0	1.0	29.5	15.0	26.0	70.5
2002-2003	DSC				3.0	3.0				7.0		4.0	11.0
<b>Southern Africa</b>													
2002-2003	PSA		1.0	1.0	1.8	6.5	2.0		0.5	12.8	6.0	9.5	28.3
2004-2005	PSA		1.0	1.0	3.0	8.0	7.0	1.0		21.0	8.0	23.5	52.5
2002-2003	DSC			1.0		7.0	7.0	2.0		17.0		19.0	36.0
<b>Subtotal, Regional bureaux</b>													
2002-2003	PSA		6.0	7.0	14.8	39.5	17.0	-	0.5	84.8	29.0	87.7	201.4
2002-2003	DSC		-	1.0	3.0	13.0	30.0	5.0	-	52.0	3.0	69.0	124.0
TOTAL 2002-2003			6.0	8.0	17.8	52.5	47.0	5.0	0.5	136.8	32.0	156.7	325.4
2004-2005	PSA		6.0	7.0	28.3	46.3	27.5	8.0	1.0	124.1	41.0	134.0	299.1
2004-2005	DSC		-	-	1.0	2.0	7.5	-	-	10.5	-	4.0	14.5
TOTAL 2004-2005			6.0	7.0	29.3	48.3	35.0	8.0	1.0	134.6	41.0	138.0	313.6



Division / Unit	International professional category and above											Others	
	ED	DED/AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof. Category	GS and Other Category	Grand Total
<b>Country offices</b>													
2002-2003	-	-	6.0	19.0	41.0	6.0					115.0	258.0	445.0
DSC	0	0	1.0	0	31.0	110.0	235.0	144.0	0.0	521.0	147.0	5122.0	5790.0
<b>TOTAL 2002-2003</b>	-	-	7.0	19.0	72.0	116.0	235.0	144.0	-	593.0	262.0	5380.0	6235.0
2004-2005	-	-	6.0	20.0	39.0	10.0				75.0	150.0	228.0	453.0
DSC	-	-	1.0	0.0	14.0	60.0	138.0	122.0	7.0	342.0	92.0	3556.0	3990.0
<b>TOTAL 2004-2005</b>	-	-	7.0	20.0	53.0	70.0	138.0	122.0	7.0	417.0	242.0	3784.0	4443.0
<b>TOTAL, PROGRAMME SUPPORT - REGIONAL BUREAUX AND COUNTRY OFFICES</b>													
2002-2003	-	-	12.0	26.0	55.8	45.5	17.0	-	0.5	156.8	144.0	345.7	646.4
DSC	-	-	1.0	1.0	34.0	123.0	265.0	149.0	-	573.0	150.0	5191.0	5914.0
<b>TOTAL 2002-2003</b>	-	-	13.0	27.0	89.8	168.5	282.0	149.0	0.5	729.8	294.0	5536.7	6560.4
2004-2005	-	-	12.0	27.0	67.3	56.3	27.5	8.0	1.0	199.1	191.0	362.0	752.1
DSC	-	-	1.0	-	15.0	62.0	145.5	122.0	7.0	352.5	92.0	3560.0	4004.5
<b>TOTAL 2004-2005</b>	-	-	13.0	27.0	82.3	118.3	173.0	130.0	8.0	551.6	283.0	3922.0	4756.6
<b>B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)</b>													
2002-2003	-	1.0	2.0	4.0	6.0	19.0	13.0	3.0	-	48.0	-	76.0	124.0
DSC	-	-	-	-	-	2.0	1.0	2.0	-	5.0	-	4.0	9.0
<b>TOTAL 2002-2003</b>	-	1.0	2.0	4.0	6.0	21.0	14.0	5.0	-	53.0	-	80.0	133.0
2004-2005	-	1.0	2.0	7.0	14.0	32.0	21.1	2.0	-	79.1	-	88.0	167.1
DSC	-	-	-	-	1.0	1.0	1.0	-	-	3.0	-	2.0	5.0
<b>TOTAL 2004-2005</b>	-	1.0	2.0	7.0	15.0	33.0	22.1	2.0	-	82.1	-	90.0	172.1
<b>C. MANAGEMENT &amp; ADMINISTRATION</b>													
<b>Management</b>													
Office of Executive Director (OED)													
2002-2003	1.0	-	3.0	4.0	9.5	12.0	6.0	1.0	1.0	37.5	-	28.5	66.0
2004-2005	1.0	-	3.0	4.0	12.5	17.9	6.0	2.0	-	46.4	-	36.0	82.4
Fundraising & Communications (FCD)													
2002-2003	-	1.0	3.0	7.0	9.0	17.0	13.5	6.0	1.0	57.5	-	43.0	100.5
2004-2005	-	1.0	3.5	8.0	24.0	22.8	16.5	9.0	-	84.8	-	55.5	140.3
Policy & External Affairs (PED)													
2002-2003	-	1.0	3.5	8.0	11.0	8.5	9.3	-	1.0	42.3	-	37.5	79.8
2004-2005	-	1.0	3.5	8.0	14.0	12.5	18.5	6.0	-	63.5	-	42.0	105.5
<b>Subtotal, Management</b>													
2002-2003	1.0	2.0	9.5	19.0	29.5	37.5	28.8	7.0	3.0	137.3	-	109.0	246.3
2004-2005	1.0	2.0	10.0	20.0	50.5	53.2	41.0	17.0	-	194.7	-	133.5	328.2
<b>Administration</b>													
Assistant Executive Director Administration (AD)													
2002-2003	-	-	-	-	-	1.0	-	-	-	1.0	-	1.0	2.0
2004-2005	-	-	1.0	-	-	1.0	-	-	-	2.0	-	2.0	4.0



Division / Unit	International professional category and above										Others		
	ED	DED/AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS and Other Category	Grand Total
Finance Division (FS)													
2002-2003			1.0	1.0	4.0	5.0	6.0	5.0		22.0		28.0	50.0
2004-2005			1.0	1.0	6.0	8.0	7.0	5.0		28.0		33.0	61.0
Information & Communications B25Technology Division (ICT)													
2002-2003			1.0	1.0	4.0	11.0	7.0	6.0		30.0		28.0	58.0
2004-2005			0.9	1.0	6.0	31.0	27.5	30.4	1.0	97.8		39.6	137.4
Human Resources Division (HR)													
2002-2003			1.0	2.0	2.0	8.0	4.0	5.0	6.0	28.0		35.0	63.0
					1.0			4.0		5.0		9.0	14.0
					3.0			9.0		33.0		44.0	77.0
TOTAL 2002-2003			1.0	2.0	3.0	8.0	4.0	9.0	6.0	33.0		44.0	77.0
2004-2005			1.0	1.9	4.5	8.8	11.0	15.0	1.0	43.2		59.4	102.6
							2.0	2.0		4.0		5.0	
			1.0	1.9	4.5	8.8	13.0	17.0	1.0	47.2		64.4	102.6
Management Services Division (MS)													
2002-2003				1.0	2.0	3.0	4.0		1.0	11.0		40.0	51.0
2002-2003						1.0				1.0			1.0
TOTAL 2002-2003				1.0	2.0	3.0	5.0		1.0	12.0		51.0	63.0
2004-2005				1.0	3.0	7.0	3.5	3.0		17.5		48.5	66.0
<b>Subtotal, Administration</b>													
2002-2003			3.0	5.0	12.0	28.0	21.0	16.0	7.0	92.0		132.0	224.0
					1.0		1.0	4.0		6.0		9.0	15.0
TOTAL 2002-2003			3.0	5.0	13.0	28.0	22.0	20.0	7.0	98.0		141.0	239.0
2004-2005			1.0	4.9	19.5	55.8	49.0	53.4	2.0	188.5		182.5	371.0
							2.0	2.0		4.0		5.0	9.0
TOTAL 2004-2005			1.0	4.9	19.5	55.8	51.0	55.4	2.0	192.5		187.5	380.0
<b>TOTAL, MANAGEMENT &amp; ADMINISTRATION</b>													
2002-2003	1.0	2.0	12.5	24.0	41.5	65.5	49.8	23.0	10.0	229.3		241.0	470.3
					1.0		1.0	4.0		6.0		9.0	15.0
TOTAL 2002-2003	1.0	2.0	12.5	24.0	42.5	65.5	50.8	27.0	10.0	235.3		250.0	485.3
2004-2005	1.0	3.0	12.9	24.9	70.0	109.0	90.0	70.4	2.0	383.2		316.0	699.2
							2.0	2.0		4.0		5.0	9.0
TOTAL 2004-2005	1.0	3.0	12.9	24.9	70.0	109.0	92.0	72.4	2.0	387.2		321.0	708.2
<b>GRAND TOTAL</b>													
2002-2003	1.0	3.0	26.5	54.0	103.3	130.0	79.8	26.0	10.5	434.1	144.0	662.7	1 240.7
			1.0	1.0	35.0	125.0	267.0	155.0		584.0	150.0	5 204.0	5 938.0
TOTAL 2002-2003	1.0	3.0	27.5	55.0	138.3	255.0	346.8	181.0	10.5	1 018.1	294.0	5 866.7	7 178.7
2004-2005	1.0	4.0	26.9	58.9	151.3	197.3	138.6	80.4	3.0	661.4	191.0	766.0	1 618.4
			1.0		16.0	63.0	148.5	124.0	7.0	359.5	92.0	3 567.0	4 018.5
TOTAL 2004-2005	1.0	4.0	27.9	58.9	167.3	260.3	287.1	204.4	10.0	1 020.9	283.0	4 333.0	5 636.9





Table C: PSA Budget, by Organizational Unit and by Appropriation Line, 2002-2003 (US\$ thousand)

Division/Unit	Staff Cost	Consultancy	Duty Travel	Other Office Expenses	Training	Office Supplies	Over-time	Hospitality	Equip-ment	TOIT	Com-put-er	IT Serv-ices	Contri-bution	UN Org-ans-ization	Gov-ern-ment	Insur-ance	Equip-ment	Re-pairs	Rent	Utilities	Exter-nal Audit	Total Non-Staff Cost	Less: Trust Funds	Grand Total	
<b>A. PROGRAMME SUPPORT: REGIONAL BUREAU AND COUNTRY OFFICES</b>																									
<b>Regional offices</b>																									
2002-2003																									
Asia	5 350			1 945																		2	5 352		
Eastern Europe	132																					0	132		
Latin America and Caribbean	4 705			1 568																		2	4 706		
Mediterr., Mid. East and Central Asia	4 866			1 471																		1	4 867		
East and Central Africa	7 820			2 862																		3	7 823		
West Africa	4 976			2 536																		3	4 978		
Southern Africa	2 148			1 180																		1	2 149		
<b>Subtotal</b>	<b>29 996</b>			<b>11 562</b>																		<b>12</b>	<b>30 007</b>		
2004-2005																									
Asia	5 811	155	405	91	264	19	12	6	6	0	304	0	0	0	0	0	3	20	63	40	0	1 390	7 202	1 142	6 060
Eastern Europe																						0			
Latin America and Caribbean	5 450	314	523	204	185	85	12	2	12	360	12	12	0	0	0	0	6	12	0	108	0	1 847	7 297	1 146	6 151
Mediterr., Mid. East and Central Asia	8 327	83	370	103	194	21	17	3	14	323	26	16	0	0	0	0	8	151	25	0	0	1 352	9 679	1 319	8 360
East and Central Africa	7 927	125	713	80	239	52	12	4	62	354	0	131	0	0	0	0	25	40	183	120	0	2 139	10 067	1 351	8 715
West Africa	9 809	399	888	61	665	95	37	16	64	508	0	92	6	0	0	0	15	50	225	106	0	3 207	13 016	1 872	11 144
Southern Africa	7 368	364	553	118	215	26	50	5	13	286	4	27	0	0	0	0	22	0	0	0	0	1 682	9 050	1 273	7 777
<b>Subtotal</b>	<b>44 693</b>	<b>1 441</b>	<b>3 431</b>	<b>657</b>	<b>1 761</b>	<b>298</b>	<b>140</b>	<b>36</b>	<b>165</b>	<b>2 134</b>	<b>42</b>	<b>287</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>152</b>	<b>621</b>	<b>399</b>	<b>0</b>	<b>11 617</b>	<b>56 310</b>	<b>8 103</b>	<b>48 208</b>
<b>Country offices</b>																									
2002-2003																									
	39 949			7 436																		7 436	47 385		
2004-2005																									
	38 047																					16 720	54 767	0	54 767
<b>TOTAL, PROGRAMME SUPPORT: REGIONAL AND COUNTRY OFFICES</b>																									
2002-2003	69 945			7 448																		7 448	77 392		
2004-2005	82 740																					28 337	111 077	8 103	102 975



Division/Unit	Staff Cost	Consultancy	Duty Travel	Other Office Expenses	Training	Office Supplies	Over-time	Hospitality	Equipment	TC/IT	Comms	IT	Services	Vehicle	Tools	Running	Costs	FAO	Services	UN	Org	Contribution	UN	Org	UN	Body	Insurance	Rep- air	Equip- ment	Utilities	Rent	Audit	External	Total Non-Staff Cost	Total	Less: Trust Funds	Grand Total	
<b>B. PROGRAMME SUPPORT: HEADQUARTERS (OPERATIONS DEPARTMENT)</b>																																						
Office of Asst. Executive Director- Operations Department (OD)																																						
2002-2003	2 563	370	226	38	70	38	8	5	1 900	4																							2 668	5 222				
2004-2005	3 266	226	250	30	209	0	15	5	0	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	805	4 071	296	3 774		
Programming Service (ODP)																																						
2002-2003	3 145	16	25	4	7	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57	3 202				
2004-2005	3 772	515	90	0	14	0	22	0	20	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	705	4 477	326	4 151			
Food Procurement Service (ODF)																																						
2002-2003	627	0	0	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14	641					
2004-2005	3 006	65	140	0	20	0	24	0	38	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	322	3 328	242	3 085				
Transport Division (OT)																																						
2002-2003	9 508	231	302	83	65	46	23	1	6	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	758	10 266					
2004-2005	15 346	937	881	138	983	90	38	2	203	149	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3 438	18 784	1 368	17 416				
<b>TOTAL, PROGRAMME SUPPORT: HEADQUARTERS</b>																																						
2002-2003	15 844	616	553	138	141	84	37	7	1 906	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3 487	19 331					
2004-2005	25 390	1 743	1 361	168	1 226	90	99	7	260	298	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5 270	30 660	2 233	28 427				
<b>C. MANAGEMENT &amp; ADMINISTRATION</b>																																						
<b>Management</b>																																						
Office of Executive Director (OED)																																						
2002-2003	9 686	449	1 004	685	35	5	44	31	357	0	0	0	341	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 936	12 632					
2004-2005	14 133	3 993	2 388	91	868	12	73	30	127	323	0	0	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7 965	22 098	1 637	20 461				
Fundraising & Communications (FOD)																																						
2002-2003	10 981	985	962	822	37	2 198	32	54	2 298	122	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7 763	18 744					
2004-2005	21 887	3 047	2 348	564	433	2 600	177	377	169	603	113	23	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11 272	33 159	0	33 159				
Policy & External Affairs (PED)																																						
2002-2003	12 022	981	819	4 462	89	130	59	23	2 423	98	5	1	0	0	0	0	1 915	13	2 227	0	0	0	0	0	0	0	0	0	0	0	11 247	23 269						
2004-2005	17 563	5 154	2 569	661	4 571	338	81	50	149	292	134	41	300	0	0	0	3 198	5	7 439	17	0	0	0	0	0	0	0	0	0	18 005	35 569	2 723	32 846					
<b>Subtotal, Management</b>																																						
2002-2003	32 699	2 425	2 786	5 950	160	2 334	134	109	5 079	219	5	1	342	0	0	0	1 921	13	2 468	0	0	0	0	0	0	0	0	0	0	21 947	54 646							
2004-2005	53 583	12 194	7 305	1 316	5 871	2 951	331	456	445	1 218	246	64	362	0	0	0	3 203	65	35 958	0	0	0	0	0	0	0	0	0	0	37 243	90 826	4 359	86 467					



Division/Unit	Staff Cost	Consultancy	Duty Travel	Other Office Expenses	Training	Office Supplies	Over-time	Hospitality	TC/IT Equip-ment	TC/IT Comm/ IT Serv-ices	Tools & Furni-ture	Vehicle Running Costs	Serv-ices from FAO	UN Organi-zation Serv-ices	Contri-bution UN bodies	Gover-nance	Insur-ance	Equip-ment Rep-airs	Utili-ties	Rent	External Audit	Total Non-Staff Cost	Less: Trust Funds	Grand Total	
<b>Administration</b>																									
Office of Asst. Executive Director-Administration (AD)	515	64	65	0	3	0	4	1	11 200	0	0	0	0	0	0	0	0	0	0	0	0	11 338	11 853		
2002-2003																						98	840	61	779
2004-2005	742	37	54	0	2	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Division (FS)																									
2002-2003	7 130	59	121	5	16	1	91	1	0	0	0	0	225	0	0	0	0	0	0	0	0	518	7 648		
2004-2005	8 841	127	166	18	402	4	106	2	2	75	4	0	20	0	0	0	0	4	0	0	0	929	9 770	711	9 058
Info. & Communication Tech. Division (ICT)																									
2002-2003	8 525	3 330	338	1	86	193	64	1	1 565	3 049	0	0	0	0	0	0	0	69	0	0	0	8 695	17 220		
2004-2005	21 485	3 002	2 247	98	1 095	623	39	5	951	6 742	18	0	10	0	0	0	0	10	0	1 155	0	15 995	37 480	2 731	34 749
Human Resources Division (HR)																									
2002-2003	8 949	564	229	24	76	3	42	2	0	0	0	0	1 133	0	0	8	0	0	0	0	0	2 080	11 030		
2004-2005	13 575	2 887	3 505	253	2 117	8	107	6	0	140	330	0	1 558	0	0	0	0	12	0	0	0	10 922	24 498	1 802	22 696
Management Services Division (MS)																									
2002-2003	6 344	179	215	5 915	23	1 063	236	0	5	9	383	1	250	0	0	2	572	437	0	0	0	9 289	15 633		
2004-2005	7 609	1 024	530	6 318	294	94	337	5	132	105	304	0	368	0	0	0	98	0	0	1 332	0	10 941	18 550	1 000	17 550
<b>Subtotal Administration</b>																									
2002-2003	31 463	4 196	968	5 944	204	1 260	437	5	12 770	3 058	383	1	1 608	0	0	10	572	505	0	0	0	31 920	63 384		
2004-2005	52 252	7 077	6 501	6 687	3 910	728	594	19	1 065	7 061	656	0	1 955	0	0	0	98	26	0	2 487	0	38 885	91 137	6 306	84 832
Statutory Requirements																									
2002-2003														2 269	1 983							4 685	4 685		
2004-2005															2 393							2 637	2 637	0	2 637
<b>TOTAL, MANAGEMENT &amp; ADMINISTRATION</b>																									
2002-2003	64 162	6 621	3 754	11 894	364	3 594	571	114	17 849	3 278	388	2	1 949	2 269	1 983	1 931	585	507	468	0	432	58 552	122 714		
2004-2005	105 835	19 271	13 807	8 003	9 781	3 679	925	476	1 530	8 279	903	64	2 318	0	2 393	3 203	163	61	958	2 487	244	78 544	184 600	10 665	173 935
<b>GRAND TOTAL</b>																									
2002-2003	149 950	7 237	4 307	19 480	506	3 678	608	121	19 755	3 282	388	2	1 949	2 269	1 983	1 931	585	507	468	0	432	69 487	219 437		
2004-2005	213 965	21 014	15 168	8 170	11 006	3 768	1 025	483	1 790	8 577	910	64	2 318	0	2 393	3 203	163	72	958	2 487	244	112 151	326 337	21 000	305 337





## **ANNEX III: EVALUATION WORKPLAN FOR 2004–2005**

### **INTRODUCTION**

1. At the Executive Board's Annual Session, 2003, during the discussion of the Office of Evaluation (OEDE) workplan for 2003–2004,<sup>5</sup> members requested that the annual presentation of the OEDE rolling workplan in May be replaced by a presentation in October, prior to the start of each new biennium. The current paper is the first of the new biennial OEDE workplan papers.
2. As noted during discussions at the Annual Session, 2003, in February of this year the Executive Director, recognizing the need to move forward in implementing a corporate-wide results-based management (RBM) system, created a new Division for Results-Based Management (OEDR). That division links OEDE with a new Office of Performance Measurement and Reporting (OEDP). With OEDP taking on the monitoring function, OEDE has been able to return to its core evaluation work.
3. Coupled with the reorganization at Headquarters is the decentralization of some evaluations to the regional bureau and country office levels. This is expected to enhance the use of evaluation for learning and management decision-making at the operational level.
4. Preparations for the OEDE 2004–2005 workplan were begun immediately after this year's Annual Session, with consultations taking place with the seven regional bureaux on sharing the evaluation workload over the coming two-year period. Regional evaluation spreadsheets have been prepared, although they may need to be revised as the biennium evolves. The workplan is a flexible one that can be adjusted as new needs arise, and can accommodate special requests by senior management and the Executive Board.

### **THE GLOBAL BIENNIAL EVALUATION WORKPLAN—OEDE, REGIONAL BUREAUX AND COUNTRY OFFICES**

5. As explained in "WFP's Evaluation Policy",<sup>6</sup> three main evaluation exercises are proposed: (a) self-evaluations (SEs) to be undertaken by country offices, possibly using a consultant as facilitator, (b) evaluations managed by country offices or regional bureaux, using consultants to undertake the evaluation work, and (c) evaluations managed by OEDE. "WFP's Evaluation Policy", lays out in more detail the characteristics of each of these evaluation exercises.

---

<sup>5</sup> WFP/EB.A/2003/7-A.

<sup>6</sup> WFP/EB.3/2003/4-C.



6. The results of the consultations with the seven regional bureaux produced 64 “field-based” evaluations for the biennium, of which 18 would be managed by OEDE, 17 by the regional bureaux and 11 by country offices. There would be 18 self-evaluations. Geographically, the largest number of evaluations proposed is 16, in the Southern Africa region (ODJ), followed by the Eastern and Central Africa region (ODK) with 14 and the Middle East and Central Asia region (ODC) with 10.<sup>7</sup> Details of the numbers and types of evaluations per region are given in the table below.<sup>8</sup>

---

<sup>7</sup> The Eastern Europe regional bureau (ODR) will be combined with the Middle East and Central Asia regional bureau (ODC) from January 2004. This will bring to 12 the number of evaluations to be undertaken by the ODC region.

<sup>8</sup> These figures may help identify which regional bureaux should be given priority support for evaluation work.



REGIONAL EVALUATIONS FOR 2004–2005, INCLUDING SELF-EVALUATIONS AND EVALUATIONS MANAGED BY OEDE, THE REGIONAL BUREAUX AND COUNTRY OFFICES					
Region	OEDE	Regional bureau	Country office	Self-evaluation	Total
ODB	Bhutan CP China CP Nepal CP (Total: 3)	Nepal PRRO Sri Lanka CP Sri Lanka PRRO (Total: 3)	None	Laos school feeding project (Total: 1)	7
ODC	Afghanistan PRRO Iraq EMOP Pakistan CP (Total: 3)	Egypt CP Jordan development project Yemen CP (Total: 3)	Palestinian Territory EMOP (Total: 1)	Iran PRRO Pakistan EMOP Syrian development project (Total: 3)	10
ODD	Chad CP West Africa Coastal PRRO (Total: 2)	Cameroon CP Guinea CP (Total: 2)	Côte d'Ivoire EMOP Ghana CP S. Tome & Principe development project Senegal CP (Total: 4)	None	8
ODJ	Angola PRRO Tanzania CP (Total: 2)	None	Lesotho development project Mozambique CP Tanzania CP Zambia CP (Total: 4)	Angola PRRO Lesotho development project Madagascar development project and CP Malawi CP and EMOP Mozambique CP Namibia EMOP S. Africa regional EMOP Namibia EMOP (Total: 10)	16
ODK	Ethiopia portfolio Rwanda portfolio Somalia PRRO Sudan CP Sudan EMOP Uganda CP (Total: 6)	Congo PRRO Eritrea PRRO and EMOP Ethiopia CP Great Lakes PRRO Sudan PRRO (Total: 6)	Djibouti PRRO (Total: 1)	Kenya PRRO (Total: 1)	14
ODPC	Central America PRRO Colombia portfolio (Total: 2)*	Honduras CP Guatemala portfolio Nicaragua CP (Total: 3)	Haiti CP (Total: 1)	Peru development project (Total: 1)	7
ODR**	None	None	None	Azerbaijan PRRO Georgia PRRO (Total: 2)	2
<b>Total</b>	<b>18</b>	<b>17</b>	<b>11</b>	<b>18</b>	<b>64</b>

Note: Some evaluations appear in more than one column, as some operations may be evaluated more than once during the biennium (e.g., a self-evaluation or one managed by a regional bureau or country office, and then followed by an OEDE evaluation)

\*In the ODPC region, the proposed OEDE-managed evaluation of the Cuba development project for nutrition support to vulnerable groups will be a case study of the thematic evaluation of nutrition interventions.



7. Thus, OEDE will manage about a third of all “field-based” evaluations, especially the larger operations and country portfolios and those likely to yield the most useful corporate lessons.

## EVALUATIONS TO BE UNDERTAKEN BY OEDE DURING THE BIENNIUM

8. OEDE will concentrate on thematic, policy and other corporate issues and on evaluation of some of the largest field operations, as noted above, with reports being submitted to the Executive Board, as at present.
9. Of the 18 field-based evaluations to be managed by OEDE, 8 will be **country programme (CP) evaluations**.<sup>9</sup> While most of these will be first-generation CPs, one will be a phase-out evaluation (Democratic People’s Republic of China) and another will be a second-generation CP (Pakistan).
10. No inter-agency United Nations Development Assistance Framework (UNDAF) evaluations are foreseen for the coming biennium. According to current information from the United Nations Development Group (UNDG) office in New York, evaluations under the new system (i.e., those based on the new results matrix) will take place only in 2006–2007.<sup>10</sup>
11. For **emergency operations** (EMOPs), OEDE is proposing to initiate in late 2003 an evaluation of the major Iraq operation; work on this will continue into 2004, probably as a joint inter-agency evaluation. The proposal is being discussed with the Office for the Coordination of Humanitarian Affairs (OCHA) and other United Nations humanitarian agencies. There will also be an evaluation of the large Sudan EMOP.
12. Regarding **protracted relief and recovery operations** (PRROs), OEDE is proposing to undertake evaluations of Afghanistan, Angola, Central America, Somalia and the West Africa Coastal PRROs.
13. **Country portfolio evaluations**, which will examine development and relief interventions and linkages in a single country, will be undertaken in Colombia, Ethiopia and Rwanda.
14. Assuming a full complement of staff and the filling of a current Professional-level vacancy, the OEDE workplan allows for two additional **field-based evaluations**, with preference given to relief operations and those of an inter-agency nature.
15. Besides the 18 OEDE-managed field-based evaluations, OEDE anticipates undertaking two **real-time evaluations** (RTEs) of new emergency operations, to be identified. A report on WFP’s first real-time evaluation, in southern Africa, is being submitted to the current session of the Board for consideration. Feedback from the discussions will be helpful in further refining the RTE concept and methodology.
16. OEDE will undertake four **thematic evaluations** during the biennium, namely on: nutrition interventions, targeting efficiency (with a focus on relief operations), food for assets, and WFP’s response to the HIV/AIDS crisis. Concept papers are currently being drawn up for each of these four evaluations.

---

<sup>9</sup> The eight CP evaluations to be undertaken by OEDE are: Bhutan, Chad, Nepal, Pakistan, the Democratic People’s Republic of China, the United Republic of Tanzania, Sudan and Uganda.

<sup>10</sup> For WFP, the countries involved include Kenya, Niger and Pakistan. Benin, Ecuador and El Salvador may also be included in the initial UNDAF evaluation plan.





17. Also to be undertaken will be two **reviews of subjects of interest to WFP**: the impact of OEDE evaluations on operational improvements and longer-term corporate learning, and a subject to be identified and that may be suggested by Board members or WFP staff.<sup>11</sup>
18. The Director of OEDE will continue to be a member of the Steering Group for the Joint Evaluation of the Effectiveness and Impact of the Enabling Development Policy, which is being undertaken by a group of donor countries, led by the Federal Republic of Germany. The evaluation, started in mid-2003 and likely to continue until September 2004, when the final report is submitted by the consultants. The report comprises seven country case studies.<sup>12</sup>

## BUDGET PROPOSAL 2004–2005

19. The current workplan is in line with the proposals made by OEDE in its submission for the 2004–2005 zero-based budget (ZBB), which foresees full coverage of OEDE evaluation mission costs under the core programme support and administrative (PSA) budget.
20. The budget is results driven and is based on the following key objectives:
- ◇ To provide an independent evaluation service to WFP's Executive Board, senior management and staff.
  - ◇ Support WFP's move towards become a better learning organization
  - ◇ To provide support to decentralized regional bureaux and country offices in their evaluation work, by assisting them, inter-alia, through corporate guidance/tools, advice on draft concept papers and terms of reference and access to a register of qualified consultants.

<b>BUDGET PROPOSAL FOR 2004-2005</b>		
<b>Staff cost (US\$ million)</b>	<b>Non staff costs (US\$ million)</b>	<b>Total budget (US\$ million)</b>
2.0	2.4	4.4
	<b>Staff count</b>	
D-1	1	
P-5	2	
P-4	4	
G-6	1	
G-5	2	
G-4	1	
<b>Total staff count</b>	<b>11</b>	

<sup>11</sup> For example, two reviews are being undertaken in 2003: reviews of the United Nations Joint Logistics Centres (UNJLCs) in Afghanistan and Iraq. The Afghanistan UNJLC review has been completed; the Iraq UNJLC review is being planned.

<sup>12</sup> The preliminary list of 11 countries selected for possible case studies comprised: (in Asia) Bangladesh, India, Nepal and Pakistan; (in Africa) Ethiopia, Ghana, Mali, Mozambique and Zambia; (in Latin America) Bolivia and Honduras.



21. The budget proposal for 2004–2005 is US\$2.1 million higher than the 2002–2003 budget estimates, reflecting increased core funding from the PSA. For details see the full budget proposal for 2004–2005 attached at the end of this annex.

## **OEDE SUPPORT TO CORPORATE GUIDANCE AND LEARNING**

22. OEDE will support regional bureaux in managing decentralized evaluations by assigning regional focal point responsibility to OEDE evaluation officers. This will include the provision and updating of normative guidance (e.g., the monitoring-and-evaluation [M&E] guidelines), advice on terms of reference, and access to information on experienced evaluation consultants through the OEDE electronic consultants list.
23. In close cooperation with OEDP, OEDE will keep the M&E guidelines up to date, including enhancing some sections, such as those on self-evaluations and real-time evaluations. Work on a companion “tool kit” for evaluations, intended as practical support to field staff, will be initiated during the biennium.
24. An annual report, covering the main findings and lessons of the decentralized evaluations, is also planned. That report will rely on the timely submission to OEDE of country office and regional bureau evaluation reports.
25. In close cooperation with OEDP, OEDE will maintain the network of M&E focal points, which currently stands at some 180 participants. M&E field staff are supported via e-mail and telephone and through the evaluation memory system (EMS).<sup>13</sup>
26. During 2001–2003, OEDE provided significant support to the strengthening of M&E systems at the regional level, through the recruitment of short-term external consultants. That recruitment activity is now being decentralized to the regional bureaux, who are encouraged to apply directly for Institutional Strategic Partnership (ISP) funding.
27. A four-phase pilot M&E training was initiated by OEDE and implemented this year in four countries of East Africa.<sup>14</sup> The Operations Department, assisted by OEDR, will take over the M&E training in the forthcoming biennium and extend it to other regions, making improvements based on experience gained during the pilot phase.

---

<sup>13</sup> The EMS is an electronic archive of evaluation reports from 1990 to the present.

<sup>14</sup> Eritrea, Ethiopia, Sudan and Uganda.



# OEDE 2004-2005 BUDGET PROPOSAL

Unit Acronym: OEDE		Activity (by priority)		Target Date	Output (Expected Result)	Performance Indicator	Consequence of not performing activity		Inputs		Total Cost	Total Decision Package Cost
Objective (by priority)	Activity (by priority)	Target Date	Output (Expected Result)	Performance Indicator	Consequence of not performing activity	Staff Costs	Non-Staff Costs	Staff Costs	Non-Staff Costs	Total Cost	Total Decision Package Cost	
1	a	To provide an independent evaluation service to WFP's Executive Board, senior management and staff.	Management, Administration and Reporting on Objective 1	On-going, to 31-Dec-05	Efficient management, administration and reporting of OEDE's core evaluation work.	Concept papers, TORs and related work completed in a timely manner for evaluations including recruitment of teams.	Evaluations not undertaken efficiently.	\$315 660	\$225 000	\$540 660	\$3 479 200	
	b	Undertake four thematic evaluations per biennium, with a focus on topics which are of corporate priority.	Undertake four thematic evaluations per biennium, with a focus on topics which are of corporate priority.	On-going, to 31-Dec-05	Four high quality thematic evaluation reports presented to the Executive Board for consideration, with a strong learning element.	Four thematic evaluations undertaken during biennium and reports submitted to the EB in a timely manner.	Lowered corporate learning from past and on-going operations.	\$185 300	\$480 000	\$665 300		
	c	Undertake approx. twenty field-based development and relief evaluations during the biennium, based on the regional evaluation spreadsheets.	Undertake approx. twenty field-based development and relief evaluations during the biennium, based on the regional evaluation spreadsheets.	On-going, to 31-Dec-05	Eighteen comprehensive field-based OEDE managed evaluations presented to the EB for consideration.	18 EB evaluation reports prepared and considered during the biennium.	Operational accountability and learning weakened at field and corporate level.	\$639 000	\$1 080 000	\$1 719 000		
	d	Undertake two real time evaluations per biennium of significant new emergency operations.	Undertake two real time evaluations per biennium of significant new emergency operations.	On-going, to 31-Dec-05	Two new real time evaluations undertaken and reports submitted to the EB for consideration.	2 high quality real time evaluation reports prepared and considered by the EB.	An opportunity is lost for "real time" learning from new operations.	\$97 120	\$240 000	\$337 120		
	e	Undertake two ad hoc reviews of subjects of topical interest.	Undertake two ad hoc reviews of subjects of topical interest.	On-going, to 31-Dec-05	Two reviews undertaken during the biennium.	Two reviews satisfactorily completed and, at times, shared with the EB for information.	Lost opportunity to learn about issues of topical interest.	\$97 120	\$120 000	\$217 120		
2	a	Support WFP's move towards become a better learning organization	Management, Administration and Reporting on Objective 2	On-going, to 31-Dec-05	Efficient management, administration and reporting on OEDE's learning objectives.	Lessons from evaluations are captured, recorded and synthesised into easy to understand and use forms.	Corporate learning is lessened.	\$113 080	\$5 500	\$118 580	\$413 400	
	b	Annual report/lessons paper prepared, to synthesize findings from de-centralized evaluations. Disseminate lessons; develop corporate learning.	Annual report/lessons paper prepared, to synthesize findings from de-centralized evaluations. Disseminate lessons; develop corporate learning.	Annually, by 31-Dec-04 and 31-Dec-05	Annual report/synthesis paper prepared by the end of each year, starting in 2004.	Quality report prepared and made available for circulation, electronically and in hard copy, to WFP staff.	As above.	\$99 460	\$60 000	\$159 460		
	c	M&E forum and M&E network maintained, as well as the OEDE web-site and Evaluation Memory System (EMS).	M&E forum and M&E network maintained, as well as the OEDE web-site and Evaluation Memory System (EMS).	On-going, to 31-Dec-05	Existing networks are maintained/enhanced, in cooperation with OEDP.	Regular access by field staff to the various electronic sites and databases. Dialogue with field staff on M&E matters is maintained by electronic means.	Weakened support to field staff on M&E issues.	\$40 720	\$50 000	\$90 720		
	d	Publication of the OEDE newsletter. The Indicator, two or three times a year.	Publication of the OEDE newsletter. The Indicator, two or three times a year.	At least, in May and October each year.	A brief but useful newsletter, focussing on M&E issues, is published by OEDRE at least twice a year, to coincide with EB sessions.	The indicator issued at least twice a year electronically and in hard copy, with good feed back from staff, particularly field staff, on the issues raised.	As above.	\$44 640	\$0	\$44 640		
3	a	To provide evaluation support to decentralized regional bureaux and country offices in their evaluating work, by assisting them, inter-alia, through corporate guidance/tools, advice on draft concept papers and terms of reference and access to a register of qualified consultants.	Management, Administration and Reporting on Objective 3	On-going, to 31-Dec-05	Efficient management, administration and reporting on OEDE's support work to the regional Bureaux and Country Offices.	Through its system of regional bureaux focal points, OEDE will provide responses to requests to support within five working days.	Ability of Regional Bureaux and Country Offices to assume greater responsibility for decentralized evaluation work is weakened.	\$170 040	\$46 000	\$216 040	\$486 500	
	b	Provision of corporate guidance and tools.	Provision of corporate guidance and tools.	On-going, to 31-Dec-05	In cooperation with OEDP, corporate M&E guidelines kept under review and updated as necessary and appropriate tools prepared.	M&E guidelines made relevant and used. Appropriate evaluation tools developed.	Field staff have no access to updated guidelines and tools, thus weakening their M&E work.	\$66 880	\$40 000	\$106 880		
	c	Provide timely advice to Regional Bureaux and Country Offices on their evaluation concept papers and Terms of Reference.	Provide timely advice to Regional Bureaux and Country Offices on their evaluation concept papers and Terms of Reference.	On-going, to 31-Dec-05	Timely advice to RBs/Country Offices, through the OEDE system of regional focal points and their alternates.	Responses to all requests for help given in a timely manner, usually within five working days.	RBs and Country Offices are less able to undertake quality decentralized evaluations, including "self evaluations".	\$109 480	\$20 000	\$129 480		
	d	Maintain a register of suitably qualified and experienced evaluation consultants.	Maintain a register of suitably qualified and experienced evaluation consultants.	On-going, to 31-Dec-05	OEDE electronic register of suitably qualified consultants maintained and made available to field staff, upon request.	Field staff able to select suitable consultants in a timely manner.	As above.	\$33 100	\$0	\$33 100		





## ANNEX IV: BUDGET METHODOLOGY

1. In developing the Management Plan for 2004–2005, country offices estimated food aid requirements for the biennium in terms of programme category and appropriation line to arrive at the operational budget. The activities and objectives of WFP organizational units were prioritized. The ZBB exercise emphasized that a needs-driven approach should be the basis for the next two years. The management expects a live document that will guide efforts to achieve the best possible results for beneficiaries.

### STAFF COSTS

2. WFP took over payroll activities from FAO in January 2001. Previously, FAO had calculated Staff Standard Rates, which were used by WFP. The Programme has analysed actual costs versus the standard rates applied for 2002–2003 using information on staff-related expenditures extracted from WINGS, which reflects its unique staffing composition. The analysis included all staff on the WFP payroll and was carried out in a way that reflected funding sources. WFP applies a standard rate for all staff regardless of whether the funding source is PSA, DSC or Trust Fund/Special Accounts. The analysis is the basis for establishing standard rates for the coming biennium.
3. The calculations take into account all payroll costs incurred by WFP in terms of grade, salary, post adjustment and rental subsidy, and include all entitlements paid outside the payroll, such as assignment grants, repatriation grants and removal of household effects. Some entitlement-related expenditures, such as education grants and payments for annual rotations such as assignment grants and household-removal costs, are paid towards the end of the year. A full year's entitlement costs are therefore needed. Entitlements for 2002 amounted to 19.3 percent of payroll-related expenditures; this rate has been added to actual payroll costs to arrive at the standard cost per grade.
4. Proposed new staff rates have been developed, based on actual payouts for 2003 (Jan.-Aug.) and hence using a weighted average of the first eight months, including exchange rates and cost/salary increases over the period. According to the Economist Intelligence Unit,<sup>15</sup> the US dollar/Euro exchange rate is not expected to change much in the coming biennium. WFP used the average exchange rate for the first eight months of 2003, which was US\$1.11 = Euro 1, as a basis for the 2004–2005 rate on the understanding that it is realistic to use actual 2003 salaries and entitlements as a basis for establishing rates for the new biennium.
5. Staff cost increases for the coming biennium are estimated at 3 percent including estimated inflation, which would impact post adjustments, and expected salary-scale increases.
6. Standard staff cost rates for national staff in country offices were derived from the average rate for national officers and local general-service staff. WFP has not undertaken a full analysis of expected cost increases in all of the numerous countries in which it

<sup>15</sup> Country Forecast June 2003, Western Europe, Regional overview, Economist Intelligence Unit.



operates, many of which have unstable economies that make prediction difficult; such an analysis would require extensive work. WFP's conservative global cost increase estimate for national staff is 3 percent.

7. WFP proposes to keep the standard rates at current levels for budgetary purposes, and to offset eventual cost increases and exchange-rate impacts against the equalization account. The budget has therefore been prepared using 2002–2003 standard rates.
8. At the end of the year WFP will complete the full analysis of standard rates for 2002–2003 versus actual costs. If the rates established for August 2003 are utilized, the cost effect on the Management Plan would be approximately US\$41 million.

#### **LAPSE FACTOR**

9. The lapse factor is an allowance for theoretical savings arising from delays in filling vacant posts, to the extent that such savings are not used to finance other posts. The lapse rate for 2004–2005 is expected to increase as a result of the large number of proposed additional posts, not all of which will be filled at the beginning of the biennium.
10. A lapse factor of 7 percent was applied in 2002–2003 for professional staff posts at Headquarters; 10 percent was applied for general-service posts at Headquarters.
11. No lapse factor has been applied to the cost estimates because the standard costs are based on actual costs; the lapse factor is thus implicitly calculated.
12. It is important to note that WFP has made more active use of savings from vacant positions during the current biennium. Implementation of WINGS has given WFP a tool for constant monitoring of savings from vacant positions, which have been used to support initiatives and unbudgeted activities such as the Executive Director's mission as Special Envoy to Southern Africa. Vacant positions have been temporarily filled with short-term staff where possible, and a recruitment freeze was implemented at the end of 2002.
13. WFP intends to continue this active use of savings under the new Management Plan. Savings can also be used to offset unexpected cost increases or low income levels.

#### **EXCHANGE RATE EFFECTS**

14. The Management Plan is developed using US dollars, so exchange rates with other currencies can have a major impact on the budget. Exchange-rate information is drawn from the Economist Intelligence Unit and analysis of exchange rates in 2003. The budget has been cast using an exchange rate of 1.11 between US\$/Euro.



## ANNEX V: TERMINOLOGY

To the extent possible, commonly used United Nations–system terminology for budget preparation has been employed in the formulation of this document. In certain cases, budget preparation and financial terms and definitions linked to WFP have also been used.

### **Account**

A formal record of an asset, liability, revenue or expense for which the effects of transactions are indicated in terms of money or other unit of measurement.

### **Allotment**

A financial authorization issued by the Executive Director to an official to incur obligations for specific purposes within approved budgets, within specified limits and during a specified time.

### **Appropriation**

The amount approved by the Board for specified purposes in the programme support and administrative budget for a financial period, against which obligations up to the amount approved may be incurred for those purposes.

### **Appropriation line**

The largest subdivision of the programme support and administrative budget within which the Executive Director is authorized to make transfers without prior approval of the Board.

### **Bilateral contribution**

A contribution directed by the donor to be used to support an activity not initiated by WFP.

### **Board**

The Executive Board of WFP and its predecessors.

### **Broad-based appeal**

An appeal made by WFP or by WFP jointly with other funds, programmes or agencies for a regional project or for a number of separate country programmes, projects or activities.

### **Contributions**

A donation of appropriate commodities, non-food items, acceptable services or cash made in accordance with procedures set out in WFP's Financial Regulations. A contribution may be multilateral, directed multilateral or bilateral.



### **Country programme**

A country programme approved by the Board in accordance with General Regulation VI.2 (c).

### **Directed multilateral contribution**

A contribution, other than a response to an appeal made by WFP for a specific emergency operation, which a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific country programme or country programmes.

### **Direct support cost**

A cost that can be directly linked with the provision of support to an operation and that would not be incurred were that activity to cease.

### **Executive Director**

The Executive Director of the World Food Programme, or the official to whom the Executive Director has delegated authority and responsibility for the matter in question.

### **Ex Gratia payment**

A payment made when there is no legal liability, but for which there is a moral obligation to make such payment desirable.

### **Finance Committee**

The Finance Committee of FAO.

### **Financial period**

A two-year period starting on 1 January of each even-numbered year.

### **Financial Rules**

The rules established under Financial Regulation 2.2.

### **Financial statements**

Formal presentation of financial information showing the income and expenditure for a given period and assets and liabilities at the end of that period, including notes, which form an integral part thereof.

### **Full-cost recovery**

The recovery of operational costs, direct support costs and indirect support costs in full.

### **Fund**

An accounting entity with a self-balancing set of accounts recording cash and other financial and non-financial resources, together with related liabilities and residual equities or balances, and changes therein. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.





## **General Fund**

The accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received that are not designated to a specific programme category, project or bilateral project.

## **General Regulations**

The General Regulations of the World Food Programme, as approved by the General Assembly of the United Nations and the Conference of FAO.

## **General Rules**

The General Rules of the World Food Programme, as approved by its Executive Board.

## **IEFR**

The International Emergency Food Reserve.

## **Indirect support cost**

A cost that supports the execution of projects and activities but cannot be directly linked with their implementation.

## **IRA**

The Immediate Response Account of the IEFR.

## **Management Plan**

The biennial comprehensive plan of work approved by the Board, inclusive of planned outcomes and indicators of achievement, together with the WFP Budget.

## **Multilateral contribution**

A contribution, for which WFP determines the country programme or WFP activities in which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal made for which WFP determines, within the scope of the broad-based appeal, the country programme or WFP activities in which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.

## **Obligation**

A written commitment of monies resulting in a liability against an allotment.

## **Operational costs**

The costs of commodities, ocean transportation and related costs, and landside transport, storage and handling (LTSH) and other input provided by WFP to beneficiaries, the government of the recipient country or other implementing partners.

## **Operational Reserve**

Monies maintained as an account within the General Fund to be used to ensure continuity of operations in the event of a temporary shortfall of resources.



**Programme category**

A classification of WFP activities as established in accordance with the General Rules.

**Programme Category Fund**

An accounting entity established by the Board for the purposes of accounting for contributions, income and expenditures for each programme category.

**Programme support and administrative budget**

The portion of the WFP Budget that pertains to providing indirect support to WFP's activities.

**Project**

A separately identified undertaking within a programme category.

**Project agreement**

A document, howsoever designated, executed in accordance with the provisions of General Regulation XI.

**Special Account**

An account established by the Executive Director for a special contribution, or for monies earmarked for specific activities, the balance of which may be brought forward to the succeeding financial period.

**Strategic Plan**

The four-year plan that highlights the main features of the proposed programme of work for the ensuing financial period and that is prepared every two years on a rolling basis.

**Trust fund**

An identifiable subdivision of the WFP Fund, established by the Executive Director in order to account for a special contribution, the purpose, scope and reporting procedures of which have been agreed with the donor.

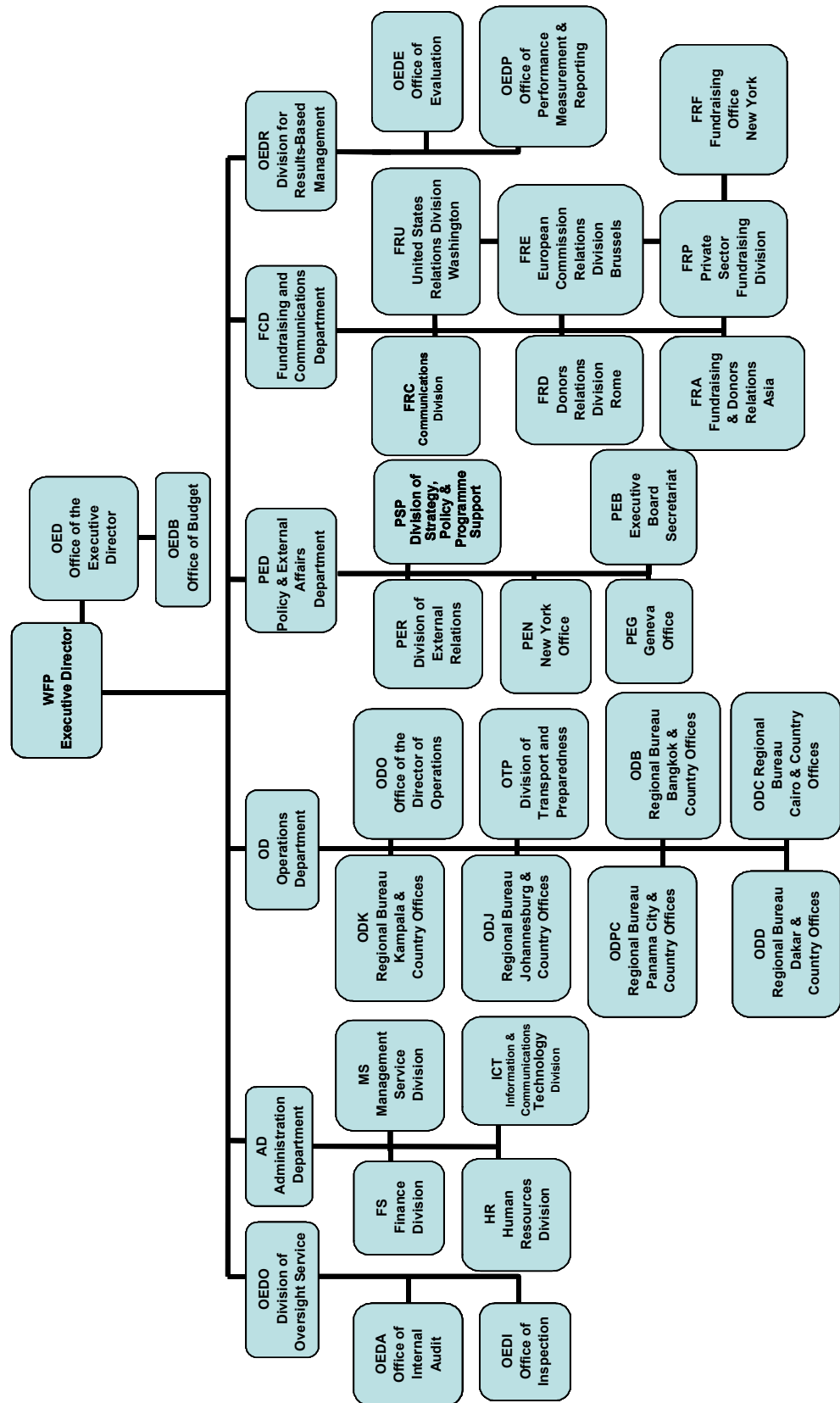
**WFP Budget**

The biennial budget component of the Management Plan approved by the Board indicating estimated resources and expenditures for programmes, projects and activities and shall include a programme support and administrative budget.



# ANNEX VI

**Proposed Organizational Chart for 2004 - 2005**



<b>WFP ORGANIZATIONAL UNITS</b>	
OED	OFFICE OF THE EXECUTIVE DIRECTOR
OED	Office of the Executive Director, OED
OEDB	Office of Budget
OEDO	DIVISION OF OVERSIGHT SERVICES
OEDA	Office of Internal Audit
OEDI	Office of Inspection
OEDR	DIVISION OF RESULTS-BASED MANAGEMENT
OEDE	Office of Evaluation
OEDP	Office of Performance Measurement and Reporting
PED	POLICY AND EXTERNAL AFFAIRS DEPARTMENT
PEB	Executive Board Secretariat
PEG	Geneva Office
PEN	New York Office
PER	Division of External Relations
PSP	DIVISION OF STRATEGY, POLICY AND PROGRAMME SUPPORT
PSPF	School Feeding Service
PSPN	Nutrition Service
PSPP	Food Security, Safety Nets and Relief Service
PSPW	Representation to Bretton Woods Institutions
FCD	FUNDRAISING AND COMMUNICATIONS DEPARTMENT
FRA	Fundraising and Donors Relations, Asia
FRC	Communications Division
FRD	Donors Relations Division (Rome)
FRE	European Commission Relations Division (Brussels)
FRF	Fundraising Office (New York)
FRP	Private Sector Fundraising Division
FRU	United States Relations Division (Washington)
OD	OPERATIONS DEPARTMENT
DED	Deputy Executive Director



<b>WFP ORGANIZATIONAL UNITS</b>	
ODB	Asia Regional Bureau (Bangkok)
ODC	Mediterranean, Middle East and Central Asia Regional Bureau (Cairo)
ODD	West Africa Regional Bureau (Dakar)
ODDY	Central Africa Regional Office (Yaoundé)
ODF	Food Procurement Service
ODJ	Southern Africa Regional Bureau (Johannesburg)
ODK	East and Central Africa Regional Bureau (Kampala)
ODO	Office of the Director of Operations
ODPC	Regional Bureau (Panama City)
OTP	TRANSPORT PREPAREDNESS AND RESPONSE DIVISION
OEN	Emergency Needs Assessment Unit
OTF	Freight Analysis and Support Service
OTI	Legal and Insurance Service
OTL	Surface Transport Service
OTS	Shipping Service
VAM	Vulnerability Analysis and Mapping Unit
AD	ADMINISTRATION DEPARTMENT
ADD	Office of the Assistant Executive Director, AD
FS	FINANCE DIVISION
FSA	Accounts Branch
FSC	Contribution and Project Accounting Branch
FSF	Field Support Branch
FSP	Payments and Payroll Branch
FST	Treasury Branch
ICT	INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION
ICTB	Business Coordination Branch
ICTC	Competence Centre Branch
ICTI	Information and Knowledge Management Branch
ICTS	Infrastructure Development and Integration Branch
HR	HUMAN RESOURCES DIVISION



<b>WFP ORGANIZATIONAL UNITS</b>	
HRC	Staff Development Branch
HRI	Information Support Branch
HRO	Operations Branch
HRS	Staff Relations Branch
HRDC	Counselling Unit
HRDP	Policy Monitoring Unit
HRDI	International Staff Management and Recruitment Unit
MS	MANAGEMENT SERVICES DIVISION
MSA	Administrative and Contracts Branch
MSP	Procurement and Contracts Branch
MSS	Headquarters and Field Security Unit
MST	Travel Unit



**ACRONYMS USED IN THE DOCUMENT**

ACABQ	United Nations Advisory Committee on Administrative and Budgetary Questions
ACC/SCN	Administrative Committee on Coordination/Sub-Committee on Nutrition
BCE	Board of Chief Executives
CAP	Consolidated Appeal Process
CC	Competence Centre
CCA	Common Country Assessment
CCPOQ	United Nations Consultative Committee on Programme and Operational Questions
COAG-SAP int.	Country Office Accounting Guide and SAP interface
COMPAS	Commodity Movement Process and Analysis System
CP	country programme
DACOTA	Data Collection Telecoms Application
DFID	United Kingdom Department for International Development
DOC	direct operational cost
DPKO	United Nations Department of Peacekeeping Operations
DSC	direct support cost
DSCAF	Direct Support Cost Advance Facility
ECHA	United Nations Executive Committee on Humanitarian Affairs
ECHA	Executive Committee on Humanitarian Affairs
ECOSOC	Economic and Social Council of the United Nations
ECPS	Executive Committee on Peace and Security
EMOP	emergency operation
ENA	emergency needs assessment
EPWeb	Emergency Preparedness Web
ERT	emergency response training
FAO	Food and Agriculture Organization of the United Nations
FEWSNET	famine early warning system
FITTEST	Fast IT and Telecommunications and Emergency Support Team
FIVIMS	Food Insecurity and Vulnerability Information and Mapping Systems
FMIP	Financial Management Improvement Programme
FSO	Field Security Office
GCCC	Government counterpart cash contribution (towards local operating costs)
GNP	gross national product
GSM	global system for mobile communications
IASC	Inter-Agency Standing Committee (United Nations)



## ACRONYMS USED IN THE DOCUMENT

ICT	Information and communications technology
IDA	International Development Association
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IFRC	International Federation of the Red Cross and Red Crescent Societies
ILO	International Labour Organisation
IMF	International Monetary Fund
IRA	Immediate Response Account
ISC	indirect support cost
ISP	Institutional Strategy Paper
ITSH	internal transport, storage and handling
JIU	Joint Inspection Unit
JPO	Junior Professional Officer
LDC	least developed country
LIFDC	low-income, food-deficit country
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MDGs	Millennium Development Goals
MISTS	Minimum Security Telecommunication Standards
MOSS	Minimum Operating Security Standards
MOU	Memorandum of Understanding
NEPAD	New Economic Partnership for Africa's Development
NGLS	Non-governmental Liaison Service
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODOC	other direct operational cost
OEDA	Office of Internal Audit
OEDI	Office of the Inspector General
PDP	Professional Development Programme
PRRO	protracted relief and recovery operation
PRSP	Poverty-Reduction Strategy Paper
PSA	programme support and administrative
R&LTF	resource and long-term financing (policies)
RBM	Results-based management
RC	Resident Coordinator
RMS	Resource Mobilization System





## ACRONYMS USED IN THE DOCUMENT

RSA	Regional Security Adviser
SAP	Systems, Applications and Products in Data Processing
SAT	security-awareness training
SCN	United Nations System Standing Committee on Nutrition
SEAGA	Socio-economic and Gender Analysis
SO	special operation
SPR	standard project report
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund
UNJLC	United Nations Joint Logistics Centre
UNSECOORD	United Nations Security Coordinator
USAID	United States Agency for International Development
VAC	Vulnerability Assessment Committee
VAM	vulnerability analysis and mapping
VGD	vulnerable groups development
WGCSP	Working Group on Common Services and Premises (UNDG)
WHO	World Health Organization
WINGS	WFP Information Network and Global System