

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Annual Session**

Rome, 20–23 May 2002

FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

For approval

E

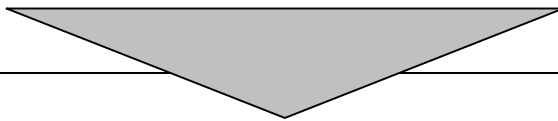
Distribution: GENERAL
WFP/EB.A/2002/6-D
4 April 2002
ORIGINAL: ENGLISH

**WFP PLEDGING TARGET:
2003–2004**



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.

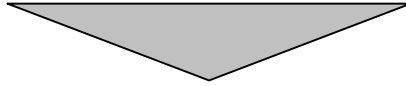
Director, Resources and External Relations Division (RE):	Ms V. Sequeira	tel.: 066513-2009
--	----------------	-------------------

Assistant to the Director, RE:	Ms A. Webb	tel.: 066513-2411
--------------------------------	------------	-------------------

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).



Draft Decision



The Executive Board:

Having considered the pledging target proposed by the Executive Director in document WFP/EB.A/2002/6-D, based on WFP's projected requirements and resources for the pledging period 2003–2004:

- a) recalls its decision regarding the Resource Mobilization Strategy at its Third Regular Session in 2000 that “Pledging conferences have outlived their usefulness and should not be convened. The General Rule should be amended accordingly”¹;
- b) recognizes that the United Nations General Assembly is responsible for convening the pledging conference. The General Assembly has asked the Secretary-General to submit “...a report presenting alternative options to the current modality of the annual United Nations Pledging Conference for Development Activities including a regular pledging event, taking into account the funding sessions convened under the multi-year funding frameworks, the needs of other United Nations system agencies, appropriate timing and options to enhance public support for United Nations operational activities for development, including through the proposed options...”² Until such time as the General Assembly decides to cease convening pledging conferences, WFP is required to set a pledging target and participate in the conference; and
- c) approves a pledging target for the biennium 2003–2004 of US\$2.673 billion on the basis of the medium-range scenario of projected resources for development, PRROs and EMOPs as contained in the Strategic and Financial Plan 2002-2005, and the adjustments made to the projected level of resources in 2003 in WFP's Biennial Budget for 2002–2003.

¹ Decisions and Recommendations of the Third Regular Session of the Executive Board, 2000, A Resource Mobilization Strategy for the World Food Programme, Recommendations (xiv), WFP/EB.3/2000/13.

² United Nations General Assembly A/56/562/Add.1, 13 December 2001, III, 6, 26.



INTRODUCTION

1. This document presents the Executive Director's recommendation for the Executive Board to approve the proposed Pledging Target for WFP's activities for 2003-2004.
2. The target, as approved, may be submitted to the WFP Pledging Conference if so decided by the Executive Board.³ The WFP Pledging Conference, jointly convened by the Secretary-General of the United Nations and the Director-General of the Food and Agriculture Organization of the United Nations (FAO), would take place in November 2002.
3. In approving the Resource Mobilization Strategy, the Executive Board decided at its Third Regular Session in 2000, that "Pledging conferences have outlived their usefulness and should not be convened. The General Rule should be amended accordingly."⁴ The United Nations General Assembly is responsible for convening the Pledging Conference. The General Assembly has asked the Secretary-General to submit "...a report presenting alternative options to the current modality of the annual United Nations Pledging Conference for Development Activities, including a regular pledging event, taking into account the funding sessions convened under the multi-year funding frameworks, the needs of other United Nations system agencies, appropriate timing and options to enhance public support for United Nations operational activities for development, including through the proposed options...".⁵ Until such time as the General Assembly decides to cease convening pledging conferences, WFP is required to set a pledging target and participate in the conference.

SCOPE

4. In 2000 the Pledging Target reflected for the first time the entirety of the Programme's operational activity, and no longer related exclusively to WFP's development programme. WFP's focus and funding has shifted from development to emergency assistance and protracted relief and recovery. WFP's Pledging Target for the next biennium will therefore again encompass the three programme categories of Development, Protracted Relief and Recovery Operations (PRROs) and Emergency Operations (EMOPs).
5. This scope is consistent with General Assembly and FAO Conference resolutions. In 1960 and 1961, General Assembly resolutions 1496 (XV) and 1714 (XVI) led to the establishment, on an experimental basis, of the World Food Programme. The Secretary-General of the United Nations and the Director-General of FAO were requested to convene a conference at which Member States were urged to make pledges. At the time, the target and the size of the Programme amounted to US\$100 million. The inclusion of PRROs and EMOPs is consistent with the original intent of the Pledging Conference. It would be more reflective of WFP's budget and its core areas of activities. Furthermore, it would be consistent with WFP's Strategic and Financial Plan, as the projected levels of

³ In accordance with the General Regulations and General Rules of the World Food Programme, General Rule XIII.1 (a).

⁴ Decisions and Recommendations of the Third Regular Session of the Executive Board, 2000, A Resource Mobilization Strategy for the World Food Programme, Recommendation (xiv), WFP/EB.3/2000/13

⁵ United Nations General Assembly A/56/562/Add.1, 13 December 2001, para. 26.



resources contained in that document and used as a basis for strategic and financial planning in WFP cover the three Programme Categories.

PREVIOUS TARGETS AND ACHIEVEMENTS

6. For the most recently completed biennium, 1999–2000, a total of US\$488.5 million was contributed for development, achieving 49 percent of the approved target of US\$1 billion for development activities only.
7. The proposed target for 2001–2002 was US\$2.6 billion for all programme categories, which was approved by the Executive Board at its Annual Session in May 2000. Contributions announced at the Pledging Conference in November 2000 amounted to US\$3.9 million, representing only 0.15 percent of the target. At 31 December 2001, halfway through the period, contributions valued at US\$1.9 billion had been confirmed by donors.
8. On the basis of contributions received in 2001 and projected for 2002 it is expected that 131 percent of the target will be achieved in the current pledging period.⁶

PROJECTED RESOURCE LEVELS IN 2003–2004

9. WFP's Strategic and Financial Plan for 2002–2005, categorizes the level of forecast resources into three scenarios: low, medium and high. The medium-range scenario is used as the basis for strategic and financial planning. It will also be used in this document as a basis for the projected resource levels in 2003 and 2004. The adjustments made in WFP's Biennial Budget for the period 2002–2003 are also taken into account. These concern the level of projected resources in 2003 for all Programme Categories and the weighted averages for commodity price, ocean transport and related costs, and landside transport, storage and handling (LTSH) costs.
10. The overall level of contributions under the medium-range scenario for all Programme Categories in 2003 and 2004, taking the above adjustments into account, is 5.08 million tons, or US\$2.7 billion. The breakdown by Programme Category is outlined in the Table in paragraph 14.
11. Since 1991, when a total of US\$994.8 million was reached, the overall level of resources for Development has been steadily decreasing. Over the past five years an average amount of US\$290 million has been achieved, with the lowest level of US\$221 million occurring in 2000. That downward trend was reversed in 2001 as a result of support for the global school feeding initiative. For 2003 and 2004, it is projected that a total of US\$622 million will be resourced.
12. It is estimated that the requirements for humanitarian relief activities will continue to be high during the next biennium. Based on historical levels of contributions to WFP's EMOPs and PRROs, it is expected that strong donor support will continue in the next biennium.
13. For PRROs, the level of support over the past five years has averaged US\$382 million, with the highest level reached in 2001, in the order of US\$510 million. Needs under this

⁶ Projected levels of resources for 2002 are according to the WFP Biennial Budget for the period 2002–2003, WFP/EB.3/2001/5-C/1.



Programme Category will continue to increase as a result of the policy decision of the Executive Board in 1998, that EMOPs should not exceed two years in duration, except under abnormal circumstances. Hence, a number of WFP's large EMOPs have become PRROs. It is projected that the level of resources provided to this Programme Category will increase accordingly, as is reflected in the anticipated total level of resources of US\$828 million for 2003 and 2004.

14. The donor community has been very responsive to WFP's emergency needs. The average level of contributions over the past five years has been US\$893 million, with the highest amount being reached in 2000, totalling US\$1,003 million. A total of US\$1,223 million is projected for 2003 and 2004.

PROJECTED RESOURCES 2003–2004⁷	
Programme category	Amount (million US dollars)
Development	622
PRRO	828
EMOP	1 223
Total	2 673

PREDICTABILITY

15. Further predictability in the resources provided to WFP would enhance programming efforts, leading to better utilization of resources and resultant cost savings for the Programme. The risks and exposure to pipeline breaks would be minimized, which would in turn help to ensure that the food aid needs of beneficiaries are met in a more timely and effective manner.
16. The Resource Mobilization Strategy submitted to the Third Regular Session of the Executive Board in October 2000, included a number of recommendations intended to enhance the predictability of resources contributed to the Programme.
- a) The objectives of the 1999 Food Aid Convention (FAC) are very similar to WFP's own priorities and mandate. Signatories of the Convention could refer to their FAC commitments as a basis for providing a longer-term indication of their likely contributions to WFP.
 - b) WFP should use the consultation on resources as a forum to discuss future needs and plan resources.

⁷ Projections are based on figures in the 2002–2003 Biennial Budget (WFP/EB.3/2001/5-C/1) for the year 2003, and on projections contained in the Strategic and Financial Plan 2002–2005 (WFP/EB.A/2001/5-B/1) for the year 2004.



- c) Work should continue towards achieving a framework agreement with each donor with regard to the level of resources expected for each year.

RECOMMENDATION

17. The Executive Director recommends that the Executive Board consider and approve that the Pledging Target for the biennium, 2003–2004, be set at US\$2.673 billion on the basis of the medium-range scenario of projected resources for Development, PRROs and EMOPs as contained in the Strategic and Financial Plan 2002–2005, and the adjustments made to the projected level of resources in 2003 in WFP's Biennial Budget for the period 2002–2003.

