

برنامج  
الأغذية  
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Programme  
Alimentaire  
Mondial

World  
Food  
Programme

Programa  
Mundial  
de Alimentos

**Executive Board  
Third Regular Session**

**Rome, 22–26 October 2001**

# **FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 5**

***For approval***

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## **THE WFP BIENNIAL BUDGET FOR THE PERIOD 2002–2003**

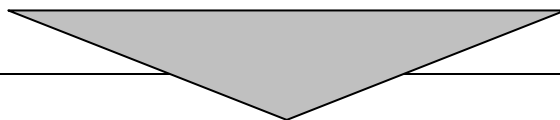
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# **The WFP Biennial Budget for the Period 2002–2003**



# 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, Office of Budget (OEDB):      Mr M. Usnick      tel.: 066513-2704

Budget Officer, OEDB:      Ms A. Abrina      tel.: 066513-2465

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 Summary

The WFP biennial budget for the period 2002–2003 is presented for the review and approval of the Executive Board. This budget document is submitted in accordance with Article IX of the WFP Financial Regulations.

WFP's budget for the period 2002–2003 was prepared in line with the principles and priorities established in the Strategic and Financial Plan, 2002–2005. It projects total expenditures of \$2.931 billion, which includes all estimated operational, direct and indirect support costs. WFP expects to expend \$2.416 billion for direct operational costs (DOC), \$247.8 million for direct support costs (DSC), and \$209.8 million for Programme Support and Administration (PSA). This budget will fund the delivery of a projected 5.471 million tons of food aid over the two-year period to needy people in more than 80 countries.

## Draft Decision

### The Executive Board:

Having considered WFP's biennial budget estimates for the period 2002–2003 as submitted by the Executive Director in document WFP/EB.3/2001/5-C/1:

- a) **Takes note** of the operational levels, including the projected expenditure components by programme and cost category as outlined in Table 2;
- b) **Approves** a net PSA appropriation in the amount of **\$209,800,000**, based on an indirect support cost recovery rate of 7.8 percent, for the purposes indicated below:

	(US\$)
Programme Support: Regional and Country Offices	87,722,000
Programme Support: Headquarters	18,692,000
Management and Administration	103,386,000
<b>Net Total</b>	<b>209,800,000</b>

- c) **Authorizes** the Executive Director to adjust the PSA component of the budget in accordance with any variation in volume of operations when such variations are more than 10 percent from the planned level;
- d) **Authorizes** the Executive Director to recast the budget, if required, at the US\$/Lira (Euro) exchange rate adopted by the FAO Conference for the 2002–2003 biennium;
- e) **Authorizes** the Executive Director to allot up to \$25 million for purposes of advancing direct support costs under the DSC Advance Facility.



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## OVERVIEW OF CONTENTS

This document sets out WFP's biennial budget proposal for the period 2002–2003. Its structure, while essentially that of the 2000–2001 document, has been revised where necessary to reflect more accurate and complete information. As is the usual practice, the budget document indicates the resource projections and the foreseen distribution of those estimates as expenditures against operational and related activities. It lays out the key strategic priorities as well as the major financial, operational and programme management initiatives that constitute the platform underlying WFP's activities in the forthcoming budgetary period. The WFP 2002–2003 budget document consists of the following:

- The **Transmittal Letter** from the Executive Director gives her introductory views on the guiding principles and make-up of the budget, and summarizes the directions to be pursued by WFP in 2002–2003.
- The section on **Overview of the 2002–2003 Budget** provides an overall framework showing the strategic and financial parameters that will shape WFP's operational activities for the coming biennium. It illustrates the total resources projected to be made available in 2002–2003 and their utilization. The section contains a review of how the 2000–2001 budget was implemented and gives a summary account of projections for the coming biennial period for both operational and support activities. It also outlines the assumptions used in determining commodity, transport and other operational costs.
- The section on the **2002–2003 Operational Budget** gives resource and expenditure projections for direct operational costs for all programme categories.
- The section on the **2002–2003 Support Budget** addresses resource and expenditure projections for both direct and indirect support costs by programme category and appropriation line, and discusses the major management initiatives that will be undertaken during the biennium.
- **Tables and Annexes** consist of: (i) 2000–2001 projected income and expenditure and changes in fund balances; (ii) PSA and DSC Staffing Table (comparing the 2000–2001 levels with 2002–2003 proposals); (iii) PSA budget by organizational unit and by appropriation line, 2000–2001 and 2002–2003; (iv) WFP organizational chart for 2002–2003, with a description of WFP organizational unit acronyms; (v) highlights of the WFP Strategic and Financial Plan, 2002–2005; (vi) the methodology used to devise the 2002–2003 budget, including the key factors and assumptions affecting the calculation of budget estimates; and (vii) terms used in the budget document.







# General Notes

All monetary values are expressed in United States dollars (\$), unless otherwise stated.

One billion equals 1,000 million.

All quantities of food commodities are expressed in metric tons, unless otherwise specified.

For some tables, totals do not add up due to rounding.

Low-income, food-deficit countries (LIFDCs) comprise all food-deficit (i.e. net cereal-importing) countries with a per capita gross national product (GNP) not exceeding the level used by the World Bank to determine eligibility for International Development Association (IDA) assistance (\$1,445 in 1999). In 2001, 82 countries were classified by the Food and Agriculture Organization (FAO) as LIFDCs.

The United Nations category of least developed countries (LDCs) includes “those low-income countries that are suffering long-term handicaps to growth, in particular low levels of human resource development and/or severe structural weaknesses”. In 2001, 49 countries were classified by the United Nations General Assembly as LDCs.

Throughout the 2002–2003 budget document, tables appear that show inter-biennia expenditure comparisons (actual for 1998–1999, estimated for 2000–2001 and projected for 2002–2003).





## ACRONYMS USED IN THE DOCUMENT

<b>ACABQ</b>	United Nations Advisory Committee on Administrative and Budgetary Questions
<b>ACC/SCN</b>	Administrative Committee on Coordination/Sub-Committee on Nutrition
<b>BCE</b>	Board of Chief Executives
<b>CAP</b>	Consolidated Appeal Process
<b>CC</b>	Competence Centre
<b>CCA</b>	Common Country Assessment
<b>CCPOQ</b>	United Nations Consultative Committee on Programme and Operational Questions
<b>COAG-SAP int.</b>	Country Office Accounting Guide and SAP interface
<b>COMPAS</b>	Commodity Movement Process and Analysis System
<b>DFMS</b>	Deep Field Mailing System
<b>DOC</b>	Direct operational costs
<b>DPKO</b>	United Nations Department of Peacekeeping Operations
<b>DSC</b>	Direct support cost
<b>DSCAF</b>	Direct Support Cost Advance Facility
<b>ECHA</b>	Executive Committee on Humanitarian Affairs
<b>ECOSOC</b>	United Nations Economic and Social Council
<b>EMOP</b>	Emergency operation
<b>FITTEST</b>	Fast IT and Telecoms and Emergency Support Team
<b>FMIP</b>	Financial Management Improvement Programme
<b>FSO</b>	Field Security Office
<b>GCCC</b>	Government counterpart cash contribution towards local operating costs
<b>GNP</b>	Gross national product
<b>IASC</b>	Inter-agency Steering Committee
<b>IDA</b>	International Development Association
<b>IFAD</b>	International Fund for Agricultural Development
<b>ILO</b>	International Labour Organisation
<b>ISC</b>	Indirect support cost
<b>ITSH</b>	Internal transport, storage and handling
<b>JIU</b>	Joint Inspection Unit
<b>JPO</b>	Junior Professional Officer
<b>LDC</b>	Least developed country
<b>LIFDC</b>	Low-income, food-deficit country
<b>LTSH</b>	Landside transport, storage and handling
<b>MISTS</b>	Minimum Security Telecommunication Standards
<b>MOSS</b>	Minimum Operating Security Standards
<b>MOU</b>	Memorandum of Understanding
<b>NGLS</b>	Non-governmental Liaison Service
<b>NGO</b>	Non-governmental organization
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>ODOC</b>	Other direct operational costs
<b>PDP</b>	Professional Development Programme
<b>PRRO</b>	Protracted relief and recovery operation
<b>PSA</b>	Programme Support and Administration
<b>RBM</b>	Results-based management
<b>R&amp;LTF</b>	Resource and Long-term Financing (policies)



<b>RMS</b>	Resource Mobilization System
<b>RSA</b>	Regional Security Adviser
<b>SAP</b>	Systems, Applications and Products in Data Processing
<b>SAT</b>	Security awareness training
<b>SEAGA</b>	Socio-economic and Gender Analysis
<b>SFP</b>	Strategic and Financial Plan
<b>SO</b>	Special Operation
<b>UNAIDS</b>	Joint United Nations Programme on HIV/AIDS
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDG</b>	United Nations Development Group
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNFPA</b>	United Nations Fund for Population
<b>UNHCR</b>	Office of the United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNSECOORD</b>	United Nations Security Coordinator
<b>VAM</b>	Vulnerability analysis and mapping
<b>WHO</b>	World Health Organization
<b>WINGS</b>	WFP Information Network and Global System



# Transmittal Letter

1. In 2000–2001, WFP will distribute one of the largest volumes of food aid in its nearly 40-year history. We estimate that by the end of 2001, the Programme will have delivered 7.2 million tons of food during the biennium. WFP's donors have been very responsive to the urgent needs brought about by the surge in both man-made and natural disasters over the last decade. To use those resources well, the Programme has improved its emergency response capabilities to respond better when these crises arise.
2. But the resources picture is not entirely bright. While donors have increased their contributions for relief, donations for WFP's development activities continue to decline. In order for WFP to contribute significantly to goals Member States set for us in United Nations global summits, in particular the World Food Summit, this trend must be reversed. My hope is that the 2002–2003 biennium will witness such a reversal, and that WFP's development activities and the support funds required to implement them will stabilize, and begin to rise.
3. The WFP Strategic and Financial Plan for 2002–2005, which was endorsed by the Executive Board at its Annual Session of 2001, projected resource levels for the 2002–2003 biennium of 5.5 million tons, at a total value of \$3.012 billion, including support costs. The budget I am submitting for your approval will deliver 5.471 million tons of food at a projected cost of \$2.931 billion. This represents an increase of 5.9 percent in volume above the approved WFP original budget for 2000–2001.
4. WFP will face new management opportunities and challenges in the next biennium, due in large part to the completion of two organizational change initiatives that began nearly six years ago. First, the Financial Management Improvement Programme (FMIP), launched in 1995, will be completed at the end of this year. Last February, WFP went "live" with a new corporate information system, based on the implementation of SAP software. The system was renamed WINGS, which stands for the WFP Information Network and Global System. WINGS will be the integrated platform for all of WFP's business needs, providing managers with up-to-date financial and project information, a systems environment that supports the further delegation of responsibilities to regional and country offices, and an expanded reporting capability that will better address the needs of our donors.
5. A second change initiative has also been completed: the further decentralization of WFP's regional bureaux, begun in 1996. Over the past five years, senior managers have been relocated to the field, with the accompanying authorities and responsibilities, in order to make the Programme more efficient and to place them closer to the beneficiaries for whom we work. Just this summer, the remaining bureaux at headquarters were outposted to the field, with a new structure of six regional bureaux and two cluster offices now in place. One bureau, the Eastern Europe Bureau, will remain at headquarters for logistical reasons. This final decentralization action realizes the objective envisioned in 1996: a substantially stronger field presence for the Programme.

6. As in past years, WFP will continue to be an active participant in the process of United Nations reform. In that spirit, this document follows the standard “harmonized” format for biennial budgets adopted by other voluntarily-funded United Nations programmes (UNDP, UNFPA and UNICEF). Consistent with this approach, we have limited the information in the budget document in most instances to summaries, restricting most details to the tables at the end of the document. In this way the Executive Board members can focus on strategic financial decision-making. However, should more detailed information be required, we will be pleased to make it available.



Catherine Bertini  
Executive Director





# Section I. Overview of 2002–2003 Budget

## INTRODUCTION

1. WFP's 2002–2003 biennial budget proposal emanates from the Programme's mission and mandate as the food aid arm of the United Nations. The budget's preparation was guided by the advice of the Executive Board provided during its consideration of the Strategic and Financial Plan (SFP), 2002–2005. The Board endorsed the general orientation and strategic priorities of that Plan at its Annual Session in May 2001.
2. The document continues to reflect the revised Resource and Long-term Financing (R&LTF) policies approved by the Board at its First Regular Session of 1999. It presents a consolidated budget showing the totality of projected turnover for all cost and programme categories for the coming financial period, and it does so in line with the common format established under the "harmonization of budgets" initiative adopted by other voluntarily-funded United Nations funds and programmes.
3. Although the format is nearly identical to that of the 2000–2001 budget, certain parts have been revised to reflect the comments made about that budget by the Advisory Committee on Administrative and Budgetary Questions (ACABQ). In particular:
  - Information on carryovers from past bienna, including interest income, has been included.
  - Information on the performance of the Direct Support Cost Advance Facility (DSCAF), and justification for the level requested for 2002–2003, have been included.
  - Staffing tables for PSA- and DSC-funded posts have been consolidated into a single table.
  - Estimated expenditure for other support budget initiatives under PSA has been indicated.

### Conformity with Revised Resource and Long-term Financing Policies

4. The 2002–2003 WFP budget is the second budget presented under the revised R&LTF modalities. From a budgetary standpoint, the revised R&LTF: (i) better reflects and measures support costs (direct and indirect) against what WFP delivers; (ii) more accurately aligns costs under the applicable DOC, DSC and indirect support cost (ISC) categories; and (iii) reaffirms the principle of full-cost recovery in that each donor is required to meet its contribution's share of all associated costs and a pro-rata share of the direct and indirect support costs.



5. As in the 2000–2001 budget:
  - Support costs in budget terms are expanded to include both the indirect and direct support cost components, resulting in wider coverage of costs under the country office programme support line.
  - A single ISC rate is to apply to all programme categories to finance the PSA budget.
  - A PSA-funded standard country office structure is established, with other support costs met through DSC.
6. More precise definitions of the elements that fall under the DOC, DSC and ISC categories, taken from WFP's current General Regulations, General Rules, and Financial Regulations, are given in Annex IV of this document.

**NOTE:** The cost re-categorization brought about by the revised R&LTF policies, and reflected in this document, makes it difficult to compare certain 1998–1999 figures with the 2000–2001 and 2002–2003 figures. However, 2000–2001 and 2002–2003 figures are fully comparable.

### Results-based Management—Future Directions

7. An Information Note on the status of results-based management (RBM) is being presented to the Board at the same session as this budget document. Completed and planned actions in implementing RBM in support of the measures to strengthen governance are outlined in that document. These actions will result in a WFP RBM approach comprising the following elements:
  - a results-oriented culture throughout the Programme, so that all staff focus on improving the lives of WFP's beneficiaries;
  - clearly defined results expected from WFP's: organizational strategy, cost-centre workplans, and programmes and projects;
  - resource requirements linked to expected results through planned activities;
  - programme, project and cost-centre results monitored to produce an accurate image of WFP's performance in implementing its mandate; and
  - results information used for: management decision-making, learning from experience and accountability reporting.
8. A new Management Plan will be instrumental in more closely linking resources to proposed activities and those activities' expected results. The next WFP Biennial Budget (2004–2005), to be presented at the Third Regular Session of 2003, will be included in the overall Management Plan, as approved by the Board as part of the new governance arrangements.

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## STRATEGIC FRAMEWORK

9. Strategically, WFP plans over a four-year horizon, on a rolling cycle every two years. Key strategies in the Strategic and Financial Plan, 2002–2005 are given below, and the goal, objectives and indicators of that Plan are provided in Annex II of this document.



10. WFP's activities are grouped into three main **programme categories**: (i) development; (ii) emergency operations (EMOPs); and (iii) protracted relief and recovery operations (PRROs).
11. WFP's **development** activities will be guided by the Enabling Development policy that was approved by the Board in May 1999. Thus, WFP will focus its development activities on the following objectives, which will be selected and combined in Country Programmes in accordance with the circumstances of the given recipient country:
- Enable young children and expectant and nursing mothers to meet their special nutritional and nutrition-related health needs;
  - Enable poor households to invest in human capital through education and training;
  - Make it possible for poor families to gain and preserve assets;
  - Mitigate the effects of natural disasters in areas vulnerable to recurring crises of this kind; and
  - Enable households that depend on degraded natural resources for their food security to make a shift to more sustainable livelihoods.
12. In accordance with WFP's Mission Statement, a minimum of 50 percent of development resources will be utilized in LDCs, and at least 90 percent will be directed to LIFDCs, which include LDCs.
13. The **EMOP** programme category covers activities that respond to acute emergency situations where normal access to food is no longer possible. EMOPs normally have a maximum duration of two years.
14. **PRROs** bridge the gap between relief and development or, in certain circumstances, provide protracted relief only. A strategy to guide relief through the recovery phase to development is designed as early as possible, even during the preceding emergency activity; thus WFP assistance extends from crisis to recovery.
15. Closely related to WFP's relief activities are **Special Operations (SOs)** that are sometimes required in extraordinary circumstances to rehabilitate and enhance transport and logistics infrastructure and capacity to permit the speedy and efficient delivery of food assistance to meet emergency and protracted relief needs.
16. The WFP goal for 2002–2005, as stated in the SFP, is *“Excellence in providing food assistance that enables all planned beneficiaries of WFP relief activities to survive and maintain healthy nutritional status, and enabling the social and economic development of at least 30 million hungry people every year.”*
17. WFP's 2002–2003 integrated budget supports the following strategic objectives for the period:

**In development:**

- to have development activities that feed at least 30 million targeted hungry poor people annually;
- to have aligned all activities with the Enabling Development policy and guidelines by 2003; and
- to have results information on beneficiary impact (outputs and outcomes) for 100 percent of the development portfolio by 2005.

**In EMOPs:**



- to feed 100 percent of the hungry people targeted in approved EMOPs;
- to have designed phase-out strategies or PRROs as appropriate; and
- to have results information (outputs) for 100 percent of the EMOP portfolio by 2005.

**In PRROs:**

- to have fed 100 percent of the hungry people targeted by approved PRROs annually;
- for each PRRO, to have assessed the need for continued food assistance and designed (i) a phase-out strategy, (ii) a “graduation to development ” strategy, or (iii) a PRRO expansion as required; and
- to have results information (outputs and where possible outcomes) for 100 percent of the PRRO portfolio by 2005.

**In SOs:**

- to have designed and implemented an effective and cost-effective logistics and transport infrastructure repair or rehabilitation operation, whenever this is essential and viable, to ensure that adequate food assistance reaches people targeted by WFP’s approved EMOPs and/or PRROs; and
- to have provided a full-cost–recovery logistics and transport service to the international humanitarian community, on request, for the provision of non-food items for relief and recovery activities.

**In support activities:**

- to have provided the necessary outputs (goods and services) required to support the identification, design, appraisal, funding, financing, implementation, monitoring, evaluation, management and accountability of the activities undertaken in the four programme categories.

18. The strategy for achieving the WFP goal for 2002–2005 is for the Programme to build upon its progress in implementing the 2000–2003 SFP priorities (WFP/EB.A/99/5-A/1), to address areas in need of strengthening and to prepare for the projected opportunities and challenges that arise. In implementing its mandate over 2002–2005, WFP will:

- ensure that its social-sector development work contributes to the Millennium Declaration follow-up;
- help mobilize, through advocacy, the necessary actors for reaching the World Food Summit target of halving the number of undernourished people;
- strengthen the safety of WFP staff and other humanitarian workers;
- contribute actively to the implementation of the Secretary-General’s United Nations reform measures;
- maintain its strong capacity to respond to the increasing number and range of natural and man-made emergencies through the implementation of procedures that enable it to respond to multiple crises simultaneously;
- review its PRROs and propose strengthening measures, as necessary;
- review its SOs to determine their best future role and scope;
- increase efforts to boost funding for development and ensure that the Enabling Development policy implementation is completed on time. In addition:

- ◇ identify ways of assisting hungry poor people living with HIV/AIDS affected by the pandemic;
- ◇ expand assistance to school feeding;
- further reinforce gender-sensitive development through the implementation of a strengthened phase of gender mainstreaming;
- continue the emphasis on the nutritional needs of its beneficiaries through pilot studies in micronutrient provision, such as through blended foods:
  - ◇ focus nutrition training for staff and partners on large-scale emergencies, and train key staff for maximum impact;
  - ◇ promote the adoption of best practices and harmonize nutritional approaches to programming with other United Nations agencies, the Administrative Committee on Coordination (ACC) Sub-Committee on Nutrition (SCN), and non-governmental organizations (NGOs);
- strengthen its strategic partnerships with:
  - ◇ UNDP, UNICEF, and UNFPA within the UNDAF;
  - ◇ organizations able to bring financial resources to joint activities;
  - ◇ NGOs, both in emergencies and development activities;
  - ◇ technical institutions, such as FAO, the World Health Organization (WHO), UNESCO, and the International Labour Organisation (ILO), and increase the use of universities and research institutions for the provision of technical advice;
  - ◇ all partners to build long-lasting community infrastructure;
- continue the generation of knowledge about the hungry poor and their livelihoods through vulnerability analysis and mapping (VAM):
  - ◇ ensuring a cost-effective approach, including the development of inexpensive and sustainable national facilities to be handed over to local institutions; and
- utilize its new Indefinite Appointment category, staff profiling and training programmes to optimize the staff profile and continue its good progress towards the target of 50 percent of International Professional Staff being women.

## FINANCIAL FRAMEWORK

19. The resource projections in the Strategic and Financial Plan, 2002–2005, formed the foundation upon which this biennial budget was constructed.
20. WFP receives all of its resources on a voluntary basis. All resources flow to the 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. Resources channelled through these funding windows go towards the respective programme categories (i.e. Development, EMOP and PRRO). All contributions are required to be on a full-cost-recovery basis. Full-cost recovery means that each contribution includes the value of the commodities, as well as ocean transport; landside transport, storage and handling (LTSH); other direct operational costs (ODOC), and the DSC and ISC components.



21. Current modalities covering Government Counterpart Cash Contributions (GCCC) towards local operating costs are applicable to non-LDC recipient governments. Governments are approached on an annual basis to make contributions based on a formula approved by the Executive Board. Contributions received are applied as income for funding the PSA component of the budget. The expected level of GCCC in 2002–2003 is \$2 million.

## PROJECTED RESOURCES AND THEIR UTILIZATION

### Review of the 2000–2001 Biennium

22. The level of operations projected in the 2000–2001 budget document covered both the availability and utilization of resources. Contributions confirmed in writing by donors are considered available resources. The assumption was that the volume in transit or not called forward in one biennium or year, would be similar to the volume in the previous biennium or year.
23. The level of operations in terms of the availability of resources for 2000 was revised from **2.583 million tons** (as projected in the 2000–2001 budget) to **3.543 million tons**, or 138 percent of the original estimate. The primary reason for this increase, as was the case in 1998–1999, was a large donation of additional commodities from the Programme's largest donor. The availability by programme category, against the original estimate, was 86 percent for Development, 211 percent for EMOP and 104 percent for PRRO.
24. The estimated availability of resources for 2001 was revised in July 2001 from **2.583 million tons** (as projected in the 2000–2001 budget) to **3.638 million tons**, or 141 percent of the original estimate. This revision was the result of continued additional contributions from the Programme's largest donor. The availability by programme category, against the original estimate, is estimated to be 102 percent for Development, 168 percent for EMOP and 146 percent for PRRO.
25. The value of WFP's operations in terms of expenditure, including the PSA component, amounted to **\$1.6 billion** for 2000 and is now projected at **\$1.8 billion** for 2001. Thus, the total value of operations in terms of expenditure for the 2000–2001 biennium is estimated to be **\$3.4 billion**.
26. The approved biennial PSA budget for 2000–2001 was **\$193.9 million**, based on a planned operational level of 5.165 million tons. This was later recosted at \$191.7 million, in accordance with the lira-dollar exchange rate fixed by the FAO Conference at its November 1999 session. In light of the additional 2000 contributions, the Executive Director exercised her authority *to adjust the budget in accordance with the variation in the volume of operations when such variations are more than 10 percent from the planned level*, by increasing the PSA budget by \$27.5 million. She also exercised this authority in 2001, this time based upon the additional contribution, by increasing the PSA budget by an additional \$20.5 million. Thus, the total PSA budget for 2000–2001 has been revised to **\$239.7 million** against a total operational level of **7.181 million tons**.
27. Table 1 below compares original estimated expenditures with revised estimates for 2000–2001, by both programme category and cost component.



TABLE 1: ORIGINAL PROJECTIONS VERSUS REVISED ESTIMATES, 2000–2001  
(million US\$)

	2000–2001 original projection	2000–2001 revised estimates
<b>Sources of funds by programme category</b>		
General Fund	86	101
Development	618	516
EMOP	1 040	1 638
PRRO	945	1 107
Special Operations	27	49
Bilateral and other operations	26	90
<b>Total sources</b>	<b>2 742</b>	<b>3 502</b>
<b>Usage of funds by cost component</b>		
Food	1 286	1 465
Ocean transport	325	499
LTSH	565	736
Other direct operational costs	93	143
Direct support costs	196	311
Indirect support costs	194	240
Other costs		10
<b>Total usage</b>	<b>2 658</b>	<b>3 405</b>
<i>General fund and committed programme funds</i>	<i>84</i>	<i>97</i>
<i>Volume (in thousand tons)</i>	<i>5 165</i>	<i>7 181</i>

28. As can be seen from the table, total volume for the 2000–2001 biennium is estimated to increase by 2.016 million tons (39 percent) from the original projection for the biennium, while expenditures are expected to increase by \$747 million (28 percent). With respect to the programme categories, Development is expected to decline by 17 percent, while EMOPs and PRROs are expected to increase by 58 and 17 percent, respectively, from the original estimates. Special Operations and bilateral activities are also expected to increase substantially above the estimates. The value of food donated and/or purchased is expected to increase by 14 percent. The reason this value is less in proportion to the volume increase is due both to lower commodity prices than projected and to the use of less expensive commodities for emergency operations. Other costs (transport, LTSH and DSC) increase in proportion to the additional volume.
29. The higher-than-planned level of operations in 2000–2001 has generated additional ISC income, which is likely to be more than needed to fund the adjusted PSA level of \$239.7 million. The extent of the surplus will be fully known only upon finalization of the 2000–2001 accounts. Therefore, the Secretariat will present the details of the expected surplus and alternatives for the utilization of the surplus at the time of the presentation of the Audited Biennial Accounts and the Report on Budgetary Performance 2000–2001 at the Executive Board's Third Regular Session in 2002.
30. A detailed breakdown of the utilization of 2000–2001 available resources and of balances estimated to be carried over into 2002–2003 is reflected in Table A. The total

opening balance of 2000–2001, recorded as reserves and fund balances at the end of the 1998–1999 biennium, shows a total amount of \$392 million, compared with an estimated balance of \$489 million to be carried forward into 2002–2003. This carryover consists mainly of confirmed contributions not yet received or not yet fully utilized for operational purposes. Most of the increase in the carryover is reflected in the General Fund as additional interest and other income still to be programmed.

## Projections for the 2002–2003 Biennium

### 📌 **Total Resources**

31. The total WFP budget for the 2002–2003 biennium is projected to be **\$2.931 billion**, a decrease of \$474 million, or 14 percent, from the revised 2000–2001 budget of **\$3.405 billion**. This amount is expected to fund the delivery of **5.471 million tons** of food and related support costs, compared with estimated deliveries of **7.181 million tons** of food in the 2000–2001 biennium, a projected decrease of 24 percent.
32. Table 2 shows the projection of total resources and their utilization for 2002–2003 by programme and cost category.



TABLE 2: PROJECTED RESOURCES AND THEIR UTILIZATION, 2002–2003  
(million US\$)

	General Fund	Development	EMOP	PRRO	SOs	Bilateral & others	Total
<b>CONTRIBUTIONS AND INCOME</b>							
Commodity contributions		360	532	389			1 281
Cash contributions	2	239	765	475	51	61	1 593
Interest	55						55
GCCC	2						2
Transfer of indirect support cost contributions to General Fund	208	-43	-94	-62	-4	-4	0
<b>Total</b>	<b>267</b>	<b>556</b>	<b>1 203</b>	<b>801</b>	<b>48</b>	<b>56</b>	<b>2 931</b>
<b>EXPENDITURES</b>							
<b>Direct operational costs</b>							
Food in kind		238	299	216			753
Food purchases		122	233	173			528
<b>Subtotal</b>		<b>360</b>	<b>532</b>	<b>389</b>			<b>1 281</b>
Ocean transport		103	153	115			371
LTSH		33	388	219			640
Other direct operational costs		19	14	6	43	43	125
<b>Total direct operational costs</b>		<b>514</b>	<b>1 086</b>	<b>730</b>	<b>43</b>	<b>43</b>	<b>2 416</b>
<b>Support Costs</b>							
Direct support costs		42	116	72	4	14	248
Indirect support costs (PSA)	210						210
<b>Total support costs</b>	<b>210</b>	<b>42</b>	<b>116</b>	<b>72</b>	<b>4</b>	<b>14</b>	<b>458</b>
<b>Programming of General Fund</b>	<b>57</b>						<b>57</b>
<b>Total</b>	<b>267</b>	<b>556</b>	<b>1 203</b>	<b>801</b>	<b>48</b>	<b>56</b>	<b>2 931</b>
<i>Volume (in thousand tons)</i>		<i>1 462</i>	<i>2 408</i>	<i>1 601</i>			<b>5 471</b>

33. Tables 3 and 4 below show the comparisons of the projected budget with the previous and current biennia, based on tonnage volume and value of operations.

TABLE 3: VOLUME OF OPERATIONS—BY PROGRAMME CATEGORY  
(thousand tons)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Development	1 537	1 419	1 462
EMOP	3 555	3 509	2 408
PRRO	1 090	2 254	1 601
<b>Total</b>	<b>6 182</b>	<b>7 181</b>	<b>5 471</b>

TABLE 4: VALUE OF OPERATIONS—BY PROGRAMME CATEGORY  
(million US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Development	581	550	600
EMOP	1 580	1 575	1 297
PRRO	555	1 137	864
Special Operations	74	53	51
Bilateral and others	128	90	120
<b>Total</b>	<b>2 918</b>	<b>3 405</b>	<b>2 931</b>

34. The following table employs the harmonized format used by other United Nations agencies to show the projections for 2002–2003 compared with 2000–2001 by cost category and appropriation line.

TABLE 5: TOTAL BUDGET BY COST CATEGORY AND APPROPRIATION LINE  
2000–2001 AND 2002–2003 (thousand US\$)

	2000–2001 estimates	% of total	Changes in volume +/-	Changes in cost +/-	2002–2003 projected	% of total
<b>By cost category</b>						
1. Direct operational costs						
Food	1 465 143	43	(356 012)	172 029	1 281 160	44
Ocean transport	499 168	15	(116 376)	(12 335)	370 457	13
LTSH	736 275	22	(149 504)	53 149	639 920	22
Other direct operational costs	143 441	4	(18 370)	(304)	124 767	4
<b>Subtotal</b>	<b>2 844 028</b>	<b>84</b>	<b>(640 262)</b>	<b>212 538</b>	<b>2 416 304</b>	<b>82</b>
2. Support costs						
Direct support costs	310 781	9	(62 980)		247 801	8
Indirect support costs (PSA)	239 746	7	(26 057)	(3 889)	209 800	7
<b>Subtotal</b>	<b>550 527</b>	<b>16</b>	<b>(89 037)</b>	<b>(3 889)</b>	<b>457 601</b>	<b>16</b>
3. Other costs						
	10 191	0	47 168		57 359	2
<b>Total</b>	<b>3 404 746</b>	<b>100</b>	<b>(682 131)</b>	<b>208 649</b>	<b>2 931 264</b>	<b>100</b>
<b>PSA by appropriation line</b>						
Programme support—regional and country offices	85 240	36	3 372	(889)	87 722	42
Programme support-headquarters	29 847	12	(10 348)	(807)	18 692	9
Management and administration*	124 659	52	(19 081)	(2 193)	103 386	49
<b>Total PSA</b>	<b>239 746</b>	<b>100</b>	<b>(26 057)</b>	<b>(3 889)</b>	<b>209 800</b>	<b>100</b>

\*Includes Executive Direction, Strategy and Policy, Resources and External Relations, Finance, Information and Communications Technology, Human Resources, Management Services and Statutory Requirements.



## DIRECT OPERATIONAL COSTS

35. Table 6 below shows projected resource levels for DOC by cost component for 2002–2003, compared with the 1998–1999 actual and 2000–2001 estimated levels.

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Food	1 357	1 465	1 281
Ocean transport	395	499	370
LTSH	523	736	640
Other direct operational costs	125	143	125
<b>Total</b>	<b>2 400</b>	<b>2 844</b>	<b>2 416</b>

36. Additional details on DOC by programme category and region are contained in Section II of this document.

## SUPPORT COSTS

37. Support costs under WFP's revised R&LTF modalities consist of direct and indirect support costs, representing the total programme delivery support and administrative budget required by WFP to run its operations and programmes.

### Direct Support Costs

38. Under the revised R&LTF policies, DSC has been redefined as *variable or incremental* costs for a WFP country office to support WFP operational activities in that country—either for development or relief. Since the 2000–2001 budget, DSC has:
- been entirely determined and justified by type and volume of activities and special circumstances in the respective countries;
  - covered international and national staff costs, office vehicles, equipment and other country office support cost requirements falling outside the PSA-funded standard country office structure;
  - been programmed on a project basis; and
  - allowed for cost recovery of country-specific DSC by charging the respective projects or operations in a country on a pro-rata basis.

39. Table 7 below shows projected DSC for 2002–2003 by programme category in comparison with 1998–1999 actual and 2000–2001 estimated DSC.

TABLE 7: DIRECT SUPPORT COSTS—BY PROGRAMME CATEGORY  
(thousand US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Development	24 100	37 231	41 672
EMOP	146 700	136 852	116 474
PRRO	54 300	106 406	71 616
Special Operations	30 900	12 830	4 326
Bilateral, JPOs and others	13 500	17 462	13 713
<b>Total</b>	<b>269 500</b>	<b>310 781</b>	<b>247 801</b>

40. The Programme requests that the Executive Board authorize the Executive Director to allot up to \$25 million of advance DSC under the DSC Advance Facility for the biennium 2002–2003. In 2000–2001, the Board authorized advances of DSC up to a level of \$33 million against this facility.
41. Details of the proposed DSC budget and the DSC Advance Facility are included in Section III of this document.

### Indirect Support Costs

42. Indirect support costs are the primary source to fund the PSA budget of WFP, and henceforth in this document ISC and PSA will be used interchangeably. Prior to this biennium, PSA funded a large portion of country office support costs, as well as headquarters operations. Since 2000–2001, PSA has included:
- a minimal country office structure considered essential for a WFP presence;
  - regional office (i.e. outposted bureaux and sub-regional office) support costs; and
  - all headquarters support costs.
43. In line with the harmonization-of-budgets initiative, the PSA budget has been prepared along the lines of the three components of United Nations support budgets: (i) programme support—regional and country offices; (ii) programme support—Headquarters; and (iii) management and administration.

44. Table 8 below summarizes the PSA budget by these three categories.

TABLE 8: PSA COSTS—BY APPROPRIATION LINE (thousand US\$)			
	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Programme support—regional and country offices	100 554	85 240	87 722
Programme support—headquarters	34 064	29 847	18 692
Management and administration	96 222	124 659	103 386
<b>Total</b>	<b>230 840</b>	<b>239 746</b>	<b>209 800</b>

45. In line with the estimates provided in the Strategic and Financial Plan, 2002–2005, the proposed PSA budget is based on an ISC recovery of 7.8 percent to be charged to finance the PSA. This is the same rate approved by the Executive Board for the 2000–2001 biennium.
46. Details of the PSA budget are provided in Section III of this document.



# Section II. 2002–2003 Operational Budget

## OVERVIEW

47. In global terms, WFP expects to have food aid assistance programmes and technical assistance activities in 87 countries in 2002–2003. It is projected that at the start of the biennium, WFP's development portfolio will consist of 39 Country Programmes, and that some 165 development projects and programme activities in 57 countries will be continued. In addition, in each year of the biennium, WFP expects to be supporting some 79 relief operations.
48. The price of commodities and the composition of the average food basket are key factors in determining total direct operational costs. For planning purposes, WFP's starting point was to calculate the value per ton of commodities, by programme category, based on the most recent donor prices and current market prices. Then, 2002–2003 price trends of major WFP commodities were forecast, based on FAO, World Bank, the United States Department of Agriculture and others' projections.
49. An analysis of seven-year historical price averages for WFP indicates that commodity prices peaked in 1996 and drifted downward into 2000. Current market price projections for 2001, however, show an upward direction. External forecasts indicate that this upward trend is foreseen to continue in 2002 and 2003. Since the food baskets under each programme category are different, the commodity costs per ton will fluctuate based on that composition. It is also anticipated that the ocean freight rates, which remained somewhat depressed prior to 2000, will gradually increase in 2001 and onwards.
50. A summary of the composition of direct operational costs estimates in the coming biennium for Development, EMOP and PRRO programme categories is given below.

## DEVELOPMENT PROGRAMME

51. The anticipated level of contributions for development in 2002–2003 amounts to **1.462 million tons**, the value of which in DOC is estimated at **\$514 million**. These levels represent an increase of 3 percent in volume terms and 8.2 percent in value terms when compared with the 2000–2001 estimated levels, but a decrease of 4.9 percent in volume and a 6.6 percent increase in value when compared to 1998–1999 actuals. The increase in 2002–2003 compared with 2000–2001 is attributable mainly to an anticipated higher level of support for WFP school feeding activities. The total value is composed of the weighted average commodity price (of contributions in kind and purchases) of \$246 per ton, average ocean transport and related costs of \$70 per ton, an average LTSH (including the ITSH subsidy) of \$23 per ton, and an average ODOC of \$13 per ton. The bulk of contributions for development is expected to continue to be received through the multilateral funding window.



52. In percentage terms, it is projected that DOC under the development programme will be distributed as follows: 70 percent for food commodities, 20 percent for ocean transport, 6 percent for LTSH, and 4 percent for other DOC costs such as non-food items and technical support.
53. Significant development programmes in 2002–2003 are foreseen for Bangladesh, Bolivia, China, Ethiopia, Haiti, India, Kenya, Mozambique, Nicaragua, Pakistan, Sudan, Uganda and Yemen.
54. Table 9 below shows for the development programme the actual DOC expenditure for 1998–1999, the estimated expenditure for 2000–2001 and the projected expenditure for 2002–2003.

TABLE 9: DIRECT OPERATIONAL COSTS—DEVELOPMENT PROGRAMME  
(million US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Food in kind	216	202	238
Food purchases	147	119	122
<b>Subtotal</b>	<b>363</b>	<b>321</b>	<b>360</b>
Other costs			
Ocean transport	73	93	103
LTSH	35	41	33
Other direct operational costs	11	20	19
<b>Subtotal</b>	<b>119</b>	<b>154</b>	<b>154</b>
<b>Total</b>	<b>482</b>	<b>475</b>	<b>514</b>
<i>Volume (in thousand tons)</i>	<i>1 537</i>	<i>1 419</i>	<i>1 462</i>

55. As indicated previously, WFP will continue to programme its development resources in accordance with the Enabling Development policy approved by the Executive Board in 1999. It is expected that the entire development portfolio (including 39 Country Programmes) will be reviewed by the Executive Board and made compliant with Enabling Development policy guidelines by the end of 2002.

## EMERGENCY OPERATIONS

56. WFP expects to handle about **2.408 million tons** of commodities for EMOPs in 2002–2003, the value of which in DOC is estimated at **\$1.086 billion**. These levels represent a decrease of 31.4 percent in volume terms and 17.6 percent in value terms when compared with the 2000–2001 estimated levels, and a decrease of 32.3 percent in volume and 19.4 percent in value when compared with 1998–1999 actuals. It should be noted that these estimates are based on the latest projections of donor contributions to the Programme for 2002–2003, but could change depending on operational needs and other circumstances. The total value is composed of the weighted average commodity price (of contributions in kind and purchases) of \$221 per ton, average ocean transport and related costs of \$64 per



ton, an average LTSH (including the ITSH subsidy) of \$161 per ton, and an average ODOC of \$6 per ton.

57. In percentage terms, it is foreseen that DOC under the EMOP programme will be distributed as follows: 49 percent for food commodities, 14 percent for ocean transport, 36 percent for LTSH and 1 percent for other DOC costs such as non-food items and technical support.
58. Significant EMOPs are foreseen in 2002–2003 in Afghanistan, the Balkans, Bangladesh, the Democratic People's Republic of Korea, the Democratic Republic of Congo, Ethiopia, Kenya and Sudan.
59. Table 10 below shows for the emergency programme the actual DOC expenditure for 1998–1999, the estimated expenditure for 2000–2001 and the projected expenditure for 2002–2003.

TABLE 10: DIRECT OPERATIONAL COSTS—EMERGENCY OPERATIONS  
( million US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Food in kind	509	364	299
Food purchases	232	293	233
<b>Subtotal</b>	<b>741</b>	<b>657</b>	<b>532</b>
Other costs			
Ocean transport	236	236	153
LTSH	343	402	388
Other direct operational costs	28	24	14
<b>Subtotal</b>	<b>607</b>	<b>662</b>	<b>554</b>
<b>Total</b>	<b>1 348</b>	<b>1 318</b>	<b>1 086</b>
<i>Volume (in thousand tons)</i>	3 555	3 509	2 408

## PROTRACTED RELIEF AND RECOVERY OPERATIONS

60. WFP expects to handle about **1.601 million tons** of commodities for PRROs in 2002–2003, the value of which in DOC is estimated at **\$730 million**.
61. These levels represent a decrease of 29 percent in volume terms and 23.2 percent in value terms when compared with the 2000–2001 estimated levels, but an increase of 46.9 percent in volume and 60 percent in value when compared with 1998–1999 actuals. The total value is composed of the weighted average commodity price (of contributions in kind and purchases) of \$243 per ton, average ocean transport and related costs of \$72 per ton, an average LTSH (including the ITSH subsidy) of \$137 per ton, and an average ODOC of \$4 per ton.
62. In percentage terms, it is foreseen that DOC under the PRRO programme will be distributed as follows: 53 percent for food commodities, 16 percent for ocean transport, 30

percent for LTSH, and 1 percent for other DOC costs such as non-food items and technical support.

63. Significant PRROs are foreseen in 2002–2003 for Afghanistan, Angola, Cambodia, the Democratic Republic of Congo, Great Lakes, Guinea, Kenya, Liberia, Sierra Leone, Somalia and Tajikistan.
64. Table 11 below shows for the PRRO programme the actual DOC expenditure for 1998–1999, the estimated expenditure for 2000–2001, and the projected expenditure for 2002–2003.

TABLE 11: DIRECT OPERATIONAL COSTS—PROTRACTED RELIEF AND RECOVERY OPERATIONS (million US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Food in kind	173	270	216
Food purchases	79	217	173
<b>Subtotal</b>	<b>252</b>	<b>487</b>	<b>389</b>
Other costs			
Ocean transport	81	169	115
LTSH	119	284	219
Other direct operational costs	4	10	6
<b>Subtotal</b>	<b>204</b>	<b>463</b>	<b>340</b>
<b>Total</b>	<b>456</b>	<b>950</b>	<b>730</b>
<i>Volume (in thousand tons)</i>	<i>1 090</i>	<i>2 254</i>	<i>1 601</i>

65. In light of the circumstances and assumptions indicated above, the 2002–2003 budget projects total DOC by region and programme category as indicated in the following table. It should be noted that these projections are based on year 2000 actual expenditure data by region and thus may vary considerably based on changing operational requirements in the next biennium.

TABLE 12: DIRECT OPERATIONAL COSTS BY REGION AND PROGRAMME CATEGORY, 2002–2003

Region	ODB Asia	ODR Eastern Europe	ODM Latin America and Caribbean	ODC Middle East, Central Asia and Mediterranean	ODK East and Southern Africa	ODD West Africa	ODY Central Africa	Total
<i>Volume of operations (in thousand tons)</i>								
Development	668	-	183	195	311	69	37	<b>1 462</b>
EMOP	678	200	4	133	1 302	29	61	<b>2 408</b>
PRRO	322	65	53	276	517	128	242	<b>1 601</b>
<b>Total</b>	<b>1 668</b>	<b>265</b>	<b>240</b>	<b>603</b>	<b>2 129</b>	<b>225</b>	<b>341</b>	<b>5 471</b>
<i>Value of operations (in million US\$)</i>								
Development	189	-	73	65	126	38	24	<b>514</b>



EMOP	230	109	2	44	635	16	51	<b>1 086</b>
PRRO	119	22	22	98	238	70	160	<b>730</b>
Special Operations	6	-	-	15	14	2	7	<b>43</b>
Bilateral and others	9	-	1	9	17	1	5	<b>43</b>
<b>Total</b>	<b>553</b>	<b>132</b>	<b>98</b>	<b>231</b>	<b>1 030</b>	<b>127</b>	<b>246</b>	<b>2 416</b>

## SPECIAL OPERATIONS (SOs)

66. SOs, being a distinct WFP programme category, are funded separately and are designed to address major logistical bottlenecks impeding the delivery of WFP's assistance. This includes repairing, augmenting and establishing logistics infrastructure, such as port operations, road and rail transport, and food-handling facilities. SOs may also involve logistics services to third parties, such as passenger and cargo air services. WFP is careful not to allow these inter-agency logistics activities to detract from the Programme's primary objective of delivering food assistance. As SOs are undertaken primarily in support of emergency operations, these activities are difficult to predict. However, based upon recent trends, the estimated DOC for SOs in the coming biennium amounts to **\$43 million**.

## OTHER RESOURCES

67. WFP will continue to provide services to donors, other United Nations organizations and NGOs for their bilateral operations in 2002–2003, much the same as it has done in prior biennia. Such services normally include procurement of food, its transport, or both. WFP foresees that over the course of the next biennium, the DOC component for bilateral services will be approximately **\$43 million**.



# Section III. 2002–2003 Support Budget

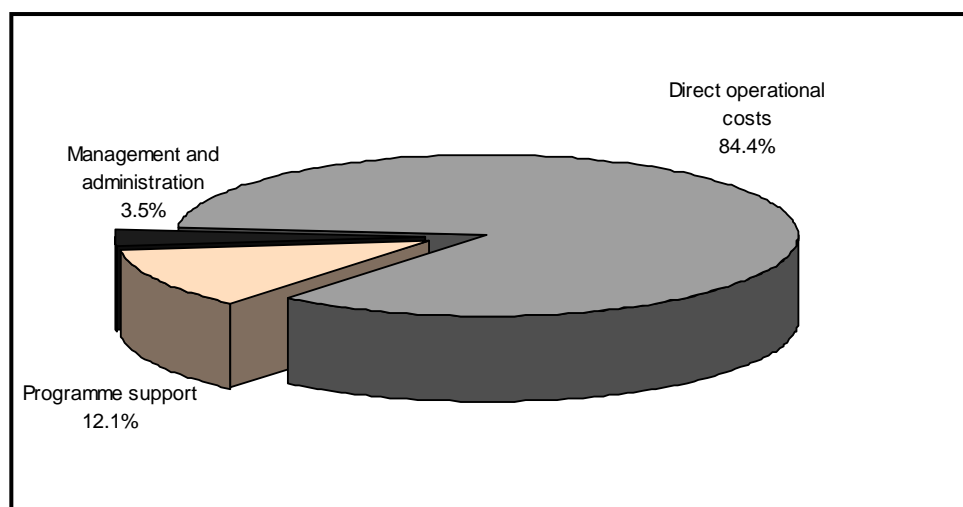
## OVERVIEW

68. In accordance with the United Nations harmonization of budgets initiative, WFP's 2002–2003 budget shows support costs separate from operational costs. Although other United Nations agencies prepare a single support cost budget, the unique WFP fund structure requires the budget to consolidate DSC and ISC (or PSA) in order to give a comparable picture.
69. Table 13 below reflects the total support budget, that is, the combined DSC and ISC components, for 2002–2003. The data include 1998–1999 actual and 2000–2001 estimated costs.

TABLE 13: WFP SUPPORT BUDGET (thousand US\$)			
	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Programme support—regional and country offices	370 054	396 021	335 523
Programme support—headquarters	34 064	29 847	18 692
<b>Subtotal—Programme Support</b>	<b>404 118</b>	<b>425 868</b>	<b>354 215</b>
Management and administration	96 222	124 659	103 386
<b>Total Support Costs</b>	<b>500 340</b>	<b>550 527</b>	<b>457 601</b>
<b>Total Turnover</b>	<b>2 917 500</b>	<b>3 404 746</b>	<b>2 931 264</b>
Programme support as a percent of turnover	13.9%	12.4%	12.1%
Management and administration as a percent of turnover	3.3%	3.7%	3.5%
Total support costs as a percent of turnover	17.1%	16.1%	15.6%

70. The WFP support budget constitutes 15.6 percent of the total WFP budget, while operations constitute 84.4 percent of the total. Of the total support costs against turnover, 12.1 percent represents programme support, and 3.5 percent represents management and administration. This is illustrated graphically in the following chart.

**Figure 1: Total WFP Expenditures, 2002–2003**



71. In the coming biennium, WFP will continue to keep support costs low in relation to total operational levels. Some of the steps the Programme plans to take in order to accomplish this objective are outlined in the Cost Containment section under Other Support Budget Initiatives at the end of this section.

## DIRECT SUPPORT COST BUDGET

72. WFP projects and operations require an element of DSC directly linked to the provision of support to operational activities. While a small core of a country office structure is being funded from PSA (largely for costs deemed essential for maintaining continuity and a WFP presence), the DSC component is meant to fund the *variable* or *incremental* cost of managing operations in the country offices.
73. With the implementation of the revised R&LTF policies, the reliance on DSC in country offices has increased significantly. Country office costs over and above the provision of a standard PSA-funded structure must be borne from DSC contributions. These costs include international and national officer salaries, United Nations Volunteers (UNVs), local operating expenses (e.g. communications, security, office utilities, vehicles) and other forms of project support inputs such as VAM, gender and technical assessments and reviews. Under special circumstances, DSC has been used to cover certain outside country costs, including short-duration posts in regional offices and at headquarters and other related costs. However, to do this, the activity funded has to be directly linked to the applicable DSC contribution.
74. For the forthcoming budget, aggregate requirements were used to arrive at total DSC and the distribution by country.

75. Table 14 below shows total DSC costs (salaries and local operating expenses) by region.

TABLE 14: DIRECT SUPPORT COSTS—REGIONAL AND COUNTRY OFFICES—BY REGION\*  
(thousand US\$)

	1998–1999 actual	2000–2001 estimates	2002–2003 projected
Asia	54 936	72 576	57 869
Eastern Europe	21 339	15 382	12 265
Latin America & Caribbean	8 896	10 259	8 180
Mediterranean, Middle East and Central Asia	13 823	15 940	12 710
East & Southern Africa	102 101	117 740	93 880
West Africa	19 436	22 413	17 871
Central Africa	29 288	33 774	26 929
Others	19 682	22 697	18 097
<b>Total</b>	<b>269 500</b>	<b>310 781</b>	<b>247 801</b>

\*Covers both staff and non-staff cost.

76. The following table shows DSC for 2000–2001 and 2002–2003 by major object of expenditure.

TABLE 15: DIRECT SUPPORT COSTS—BY OBJECT OF EXPENDITURE  
(thousand US\$)

	2000–2001 estimates	2002–2003 projection
Staff Cost	181 941	149 482
Consultants	11 556	8 000
Travel	27 933	21 219
Communications	13 721	10 100
Information Systems	6 575	4 000
Other Office Expenses	69 055	55 000
<b>Total</b>	<b>310 781</b>	<b>247 801</b>

### Direct Support Cost Advance Facility (DSCAF)

77. The DSCAF 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 \$33 million for the purpose of advancing direct support costs under the facility.
78. In 2000, WFP advanced \$27.5 million of DSC under the Advance Facility. Of this amount, \$18.6 million was required for development activities and \$8.9 million for relief

activities. The total amount advanced was recovered at the end of 2000. In 2001, \$18.6 million was again advanced for DSC related to development. Since significant work was undertaken in 2000 to adjust relief project budgets, no relief operations required an advance from the DSCAF in 2001. Of the \$18.6 million advanced in 2001, \$8.6 million was to cover the cost of 73 international staff, and \$9.4 million to cover local operating costs. The remaining \$550,000 was advanced to cover project preparation costs of new development projects or Country Programmes.

79. For the biennium 2002–2003, WFP is requesting the Executive Board to allot DSC under the Advance Facility in an amount not to exceed \$25 million. This amount is sufficient to cover anticipated contributions and shipments, and allow for an additional cushion should contributions exceed those projections.

## INDIRECT SUPPORT COST (PSA) BUDGET

80. The ISC budget (or PSA) funds both programme support and management and administration. Approximately 51 percent of the PSA budget is used for programme support in the regional and country offices and at headquarters, while 49 percent is devoted to management and administration.
81. Table 16 compares the projected 2002–2003 PSA by appropriation line with 1998–1999 actual and 2000–2001 estimated costs.

TABLE 16: PSA—BY APPROPRIATION LINE\*  
(in thousand US\$)

	1998–1999			2000–2001			2002–2003		
	Post count Prof.	Others	Total cost	Post count Prof.	Others	Total cost	Post count Prof.	Others	Total cost
Programme support—regional and country offices	188.0	881.0	100 554	151.5	478.5	85 240	159.0	494.0	87 722
Programme support—headquarters	81.0	101.0	34 064	47.0	72.0	29 847	48.0	69.0	18 692
Management & administration	163.5	220.5	96 222	194.5	232.0	124 659	204.5	232.0	103 386
<b>Total</b>	<b>432.5</b>	<b>1 202.5</b>	<b>230 840</b>	<b>393.0</b>	<b>782.5</b>	<b>239 746</b>	<b>411.5</b>	<b>795.0</b>	<b>209 800</b>

\*Total cost column reflects both staff and non-staff cost.

82. As indicated in this document's overview, the Executive Director, under her authority to adjust the PSA Budget when the volume of operations varies more than 10 percent from the planned level, increased the PSA budget in 2000–2001 by \$48 million (or 25 percent) above the approved PSA budget. The following summarizes the uses of the additional PSA:

- \$7.5 million for security of staff;
- \$6.2 million for additional staff costs;
- \$14.3 million for systems enhancements and equipment, for headquarters and field offices;



- \$3.2 million for strengthening WFP's emergency response capacity;
- \$2.2 million for training;
- \$4.3 million for decentralization start-up costs;
- \$3.2 million to conduct a global school feeding survey and standardized WFP baseline studies;
- \$2.6 million for VAM, advocacy, and other business process improvements; and
- \$4.5 million for all other activities.

83. Each of the three PSA appropriation lines is discussed in more detail below.

### Programme Support—Regional and Country Offices

84. Table 17 shows the distribution of staff and costs by region within this category for 2002–2003 compared with 1998–1999 and 2000–2001.

TABLE 17: PROGRAMME SUPPORT—REGIONAL AND COUNTRY OFFICES—BY REGION\*  
(thousand US\$)

	1998–1999			2000–2001			2002–2003		
	Post Count Prof.	Others	Total cost	Post Count Prof.	Others	Total cost	Post Count Prof.	Others	Total cost
Asia	37.0	253.0	13 021	22.5	60.5	11 279	25.0	68.0	13 285
Eastern Europe	-	-	-	3.0	15.0	1 941	4.0	15.0	2 153
Latin America & Caribbean	23.0	95.0	7 845	25.0	79.0	16 623	24.0	80.0	14 455
Middle East, Central Asia & Mediterranean	18.0	72.0	24 230	26.0	83.0	14 581	26.0	83.0	13 949
Eastern & Southern Africa	59.0	215.0	25 864	31.0	102.0	18 382	33.0	106.0	18 462
West Africa	30.0	124.0	14 917	23.0	73.0	13 660	25.0	75.0	13 572
Central Africa	21.0	122.0	14 677	21.0	66.0	8 775	22.0	67.0	11 845
<b>Total</b>	<b>188.0</b>	<b>881.0</b>	<b>100 554</b>	<b>151.5</b>	<b>478.5</b>	<b>85 240</b>	<b>159.0</b>	<b>494.0</b>	<b>87 722</b>

\*Total cost column reflects both staff and non-staff cost.

85. In 2002–2003, the PSA component of the support budget will fund a standard country office structure in 72 countries where WFP has a presence, plus six regional bureaux located overseas and one (Eastern Europe) located at headquarters. While the two bureaux in Cairo and Managua were transferred in 1998, four new bureaux were outposted in mid-2001 and have been located in Bangkok, Dakar, Kampala and Yaounde. Due to operational considerations, the cluster offices in Islamabad and Maputo have been retained, and the former Lima Cluster has been downsized and transformed into a regional resource mobilization office.

86. These new bureaux have been established for the purpose of enhancing the efficiency and effectiveness of WFP operations by putting senior WFP staff closer to the beneficiaries whom WFP serves. The further decentralization will also strengthen the Programme's ability to support country offices in the implementation of operations and to coordinate regional interventions. The requisite authority and responsibility to carry out WFP's mission from these offices has also been delegated. Additional details can be found in the decentralization discussion included in the support budget initiatives at the end of this section.
87. Of the \$87.7 million proposed for this category in 2002–2003, \$43.4 million will support the six outposted regional bureaux and the two cluster offices. This level represents an increase of \$903,000 over the revised 2000–2001 estimates, reflecting the full biennial costing of these bureaux. Most of the increase related to the outposting of the four new bureaux was absorbed by reductions in headquarters costs and by the closure of six cluster offices in 2001.
88. Of the projected \$87.7 million under this category, \$44.3 million will be used to fund a standard country office configuration in 72 country offices. In most cases, country offices will receive PSA to fund one international professional (Country Director), two national officers and three general service staff, plus \$55,000 per year for local operating expenses, as agreed by the Board in approving the 1999 Report of the Formal Working Group on R&LTFP Policies. The request for country offices in 2002–2003 is \$1.6 million higher than the 2000–2001 estimates, due to the addition of one new country office funded under the PSA formula (Indonesia), plus an additional 6 Country Director posts that had been funded previously under DSC prior to the closure of cluster offices in those countries.

#### Programme Support—Headquarters

89. This category of PSA funding constitutes support provided to WFP programmes by the Operations Department (OD) at headquarters.
90. Table 18 provides a breakdown of staff and non-staff costs for 2002–2003, compared with 1998–1999 actual and 2000–2001 estimated costs. A description of the acronyms used in the table is given in Annex I of this document.



TABLE 18: PROGRAMME SUPPORT—HEADQUARTERS\*  
(thousand US\$)

	1998–1999			2000–2001			2002–2003		
	Post count Prof.	Others	Total cost	Post count Prof.	Others	Total cost	Post count Prof.	Others	Total cost
ODO	4.0	6.5	2 273	5.0	8.5	2 402	6.0	9.0	2 766
ODA	-	-	-	2.0	1.0	1 902	2.0	1.0	856
ODP	5.0	12.5	2 326	8.0	15.5	3 245	8.0	16.0	3 226
OHA	-	-	-	4.0	3.0	1 987	4.0	3.0	1 412
VAM	-	-	-	2.0	1.0	273	2.0	1.0	918
ODT	10.0	6.0	6 504	-	-	-	-	-	-
OAE	9.0	8.0	3 136	-	-	2 140	-	-	-
OLC	2.0	2.0	918	-	-	389	-	-	-
OMN	2.0	3.0	927	-	-	520	-	-	-
OSA	19.0	20.0	6 797	-	-	2 975	-	-	-
OTD	1.0	1.0	524	1.0	1.0	815	1.0	1.0	455
OTF	4.0	9.0	1 629	5.0	9.0	2 253	5.0	9.0	1 781
OTI	4.0	13.0	2 032	4.0	13.0	2 436	4.0	12.0	2 002
OTL	12.0	10.0	4 424	8.0	10.0	5 573	8.0	7.0	2 606
OTS	9.0	10.0	2 574	8.0	10.0	2 938	8.0	10.0	2 670
<b>OD Total</b>	<b>81.0</b>	<b>101.0</b>	<b>34 064</b>	<b>47.0</b>	<b>72.0</b>	<b>29 847</b>	<b>48.0</b>	<b>69.0</b>	<b>18 692</b>

\*Total cost column reflects both staff and non-staff cost.

91. As a result of the further decentralization of the regional bureaux, total OD headquarters posts were reduced by 65 between 1998–1999 and 2000–2001. Against this base, the 2002–2003 budget includes an increase of one Professional post, offset by a decrease of three General Service staff, to a new level of 117 total posts. This represents a post reduction of 36 percent from the approved 1998–1999 post levels. When compared with the size of the Operations Department at Headquarters in 1996–1997 (202 posts), when WFP’s decentralization process began, the overall percentage reduction is 42 percent. This includes a reduction of 52 percent in Professional posts and 32 percent in General Service posts.
92. A preliminary analysis of the cost of this decentralization indicates that, compared with the amounts approved in the original 2000–2001 PSA budget for OD Headquarters, the four regional bureaux, and the 9 cluster offices, the net increase in 2002–2003 for the completed decentralization is \$2.5 million, or 4.3 percent. Higher operational costs in the field were offset for the most part by an overall reduction of 41 posts in the Operations Department at Headquarters from the approved 2000–2001 budget levels. A more formal review of the cost of decentralization will be undertaken in the near future.
93. Additional details relating to staffing and PSA costs by unit are provided in Tables B and C in Section IV of this document.

## Management and Administration

94. This component of the support budget comes the closest to representing “overhead” as it is defined in the United Nations system. The specific offices funded under this category are

the Office of the Executive Director (OED), the Strategy and Policy Division (SP), and the Resources and External Relations Division (RE), constituting the Management Offices; and the newly established Administration Department, comprising the Finance Division (FS), a new Information & Communication Technology Division (ICT), the Human Resources Division (HR), and the Management Services Division (MS).

95. Several new units are reflected in addition to the offices created under the Strengthening Management initiative. First, the budget provides for the consolidation of the existing offices of Internal Audit, Evaluation, and Inspection and Investigation to create an Oversight Division under a Director at the D-2 level. Reporting to the Executive Director, the Director of Oversight will also carry the title and functions of Inspector General. This position has been established through the upgrading of the current D-1 Inspector General position, and the creation of a new P-5 post of Chief of Inspections and Investigations.
96. A second unit is the School Feeding Support Unit under the Strategy and Policy Division. This unit was created in 2000 to enable the Programme to respond better to a new global initiative to increase the number of children who are provided a lunch while they attend school. (See paragraphs 127–129 for more information.)
97. Finally, the budget reflects a new Competence Centre, to be established within the Information and Communications Technology Division, which will be a centre of expertise to support WINGS, WFP's new corporate management and information system. (See paragraphs 111–114 for more information.)
98. The following table compares the projected 2002–2003 resource requirements for this category by posts and total costs (staff and non-staff) against 1998–1999 actual and 2000–2001 estimated requirements.



TABLE 19: PROGRAMME SUPPORT—MANAGEMENT AND ADMINISTRATION\*  
(thousand US\$)

	1998–1999			2000–2001			2002–2003		
	Post count		Total cost	Post count		Total cost	Post count		Total cost
	Prof.	Others		Prof.	Others		Prof.	Others	
OED	30.0	23.0	11 755	32.0	24.0	13 321	33.0	25.0	12 818
RE	46.5	42.0	20 136	47.5	45.0	22 472	48.5	47.0	21 787
SP	12.0	13.0	5 620	17.0	8.0	8 697	17.0	9.0	6 657
<b>Subtotal Mgmt.</b>	<b>88.5</b>	<b>78.0</b>	<b>37 511</b>	<b>96.5</b>	<b>77.0</b>	<b>44 489</b>	<b>98.5</b>	<b>81.0</b>	<b>41 262</b>
AD	-	-	-	2.0	2.0	552	2.0	2.0	912
FS	42.0	56.0	27 591	19.0	35.0	8 940	22.0	33.0	8 094
ICT	-	-	-	31.0	33.0	29 141	33.0	32.0	18 938
HR**	18.0	35.0	10 711	29.0	35.0	20 158	33.0	35.0	15 379
MS	15.0	51.5	18 107	17.0	50.0	17 696	16.0	49.0	15 833
<b>Subtotal Admin.</b>	<b>75.0</b>	<b>142.5</b>	<b>56 409</b>	<b>98.0</b>	<b>155.0</b>	<b>76 486</b>	<b>106.0</b>	<b>151.0</b>	<b>59 156</b>
<b>Total</b>	<b>163.5</b>	<b>220.5</b>	<b>93 920</b>	<b>194.5</b>	<b>232.0</b>	<b>120 976</b>	<b>204.5</b>	<b>232.0</b>	<b>100 418</b>

\* Total cost column reflects both staff and non-staff cost. Excludes statutory requirements.

\*\* Includes the Young Graduate Programme (10 P-1 posts) in 2000–2001 and 2002–2003.

99. The projected 2002–2003 budget for management and administration staff costs totals \$63.5 million, and includes a net increase of two professional staff for Management and eight professional staff for Administration from the revised 2000–2001 staffing levels. The 10 P-1s recruited under the Young Graduate Programme eventually will be absorbed by the operational units of the programme.
100. Details of staffing and objects of expenditure by organizational unit and appropriation line are found in Tables B and C at the end of the document.

### Statutory Requirements

101. A subset of management and administration is what was referred to in previous budgets as statutory requirements. These include the costs of the External Auditor and WFP's contributions to other United Nations and related organizations, including the United Nations Common House programme.
102. Table 20 shows how the projected requirements for this category compared with 1998–1999 actual and 2000–2001 estimated requirements.

TABLE 20: STATUTORY REQUIREMENTS  
(thousand US\$)

	1998–1999	2000–2001	2002–2003
External Audit	488	488	488
Contributions to other United Nations organizations	1 814	2 196	1 680
United Nations Common House		1 000	800
<b>Total</b>	<b>2 302</b>	<b>3 684</b>	<b>2 968</b>

### External Audit

103. An amount of \$488,000 has been included for the costs of WFP's External Auditor over the biennial period. This amount is equivalent to what was actually paid in the current biennium.

### Contributions to Other United Nations Organizations

104. WFP contributes a proportionate share to the cost of United Nations bodies such as the Joint Inspection Unit (JIU) and the ACC/SCN. In addition, the Programme shares the cost of certain other activities, such as those of the United Nations Consultative Committee on Programme and Operational Questions (CCPOQ) and the Non-governmental Liaison Service (NGLS). These and additional requests received on an ad hoc basis from other institutions and bodies are met from this budget line. Also included are the post costs associated with one WFP professional staff seconded to the United Nations Development Group (UNDG). The total projection for this category is \$1.7 million.

### United Nations Common Services and Premises

105. The Secretary General's United Nations reform proposal called for the acceleration of the implementation of the United Nations Common Premises programme, which is comprised of UNDP, UNFPA, UNICEF, WFP and others. For the 2002–2003 Budget, WFP has set aside an amount of \$800,000 for this programme and other common services and premises activities.

## OTHER SUPPORT BUDGET INITIATIVES

106. The section that follows gives an overview of other support budget initiatives to be addressed in the 2002–2003 budgetary period.

### Financial Management Improvement Programme (FMIP)

107. In February 2001, WFP went "live" with its new corporate information system. Based on the implementation of SAP software, the system was renamed WINGS, or the WFP Information Network and Global System, in June 2001.

108. WINGS will provide an integrated platform for all of WFP's business needs and is already in operation in Rome, Cairo and Managua. Efforts are under way to connect the remaining decentralized bureaux and those countries where WFP has substantial



operations. The HR/Payroll module is still under development and is expected to come on line in early 2002.

109. The system will provide up-to-date information on costs and resources available that will make management of ongoing projects, as well as financial planning of new projects or extensions, more efficient. It will also enable the Programme to develop an improved reporting capability. WINGS has non-SAP elements, which are integrated through interfaces, including commodity tracking (COMPAS), resource mobilization (RMS) and a field-based accounting package (COAG-SAP-Int). Many of the non-SAP modules of WINGS are already available in country offices.
110. WFP expects to be in a position to end FMIP activity by the end of 2001. The total cost of FMIP was recently adjusted upward by \$3 million (to a total of \$40 million) for the continued work on the HR/Payroll module.

### Competence Centre

111. The introduction of WINGS is critical to improving WFP's financial, procurement, resourcing and operations activities. However, WFP must also ensure that it regularizes and mainstreams the ongoing efforts needed to ensure that WINGS remains current and useful.
112. Thus, a Competence Centre (CC) for the WINGS system is being established to form the core of the organization's efforts to ensure the system's success and maximize the returns on this investment. The CC provides everyone in the organization a central place to find WINGS expertise. It includes staff from business units and the ICT Division as well as SAP specialists.
113. The CC enables effective use of the new system, helps to establish best business practices and monitors the quality of the information. In addition to WINGS support, the CC responsibilities are essential to the field roll-out, training delivery, upgrading of the application and software, and resolution of cross divisional issues.
114. The 2002–2003 PSA budget now includes the Competence Centre as a unit within the ICT Division, with a total operational budget of \$5.8 million. This cost includes \$1.2 million for staff and \$4.6 million for non-staff costs, including the cost of SAP/WINGS maintenance.

### Decentralization

115. In 1996, the Executive Director embarked on a campaign to decentralize the operational authority of the Programme to the field. Subsequently, two regional bureaux were outposted to the field in 1998, and a series of cluster offices were established to place managers closer to WFP's beneficiaries.
116. As of 1 September 2001, WFP completed its decentralization, with the last two remaining regional bureaux in Rome having moved to the field. The Africa regional bureau has been split and relocated to Africa to cover three regions—west (in Dakar), central (in Yaounde) and eastern/southern (in Kampala). The Asia regional bureau has been relocated to Bangkok, and the Eastern Europe office has become operational in Rome. The regional bureaux for Latin America and the Caribbean and the Middle East, Central Asia and Mediterranean will remain in Managua and Cairo, respectively. Six cluster offices were closed, but the Islamabad and Maputo cluster offices remain in place due to operational considerations. In addition, the Lima cluster has been converted into a regional resource mobilization office.



117. D-2 Directors, covering an average of 12 countries, will head each regional bureau. Two cluster offices from the original nine will remain for operational reasons—Islamabad and Maputo. Each regional bureau now has an average of 16 PSA-funded international staff, including a Regional Director and Deputy, Programme Advisors, Information & Communication Technology Officers, Human Resource Officers, Finance/Administration Officers, Public Information Officers, Logistics Officers, Pipeline Managers and Procurement Officers.
118. The Rome-based Operations Department has also been restructured. As most operational decisions will now be made in the field, OD/Headquarters will be responsible for managing this new field structure and providing standard programme, technical, training and normative support. It is comprised of an Assistant Executive Director, a Deputy, and units for transport, humanitarian affairs, development activities, vulnerability analysis and mapping, and resource programming. Six bureau Liaison Offices (with one Professional each) will also be located at Headquarters.
119. Decentralization has made WFP a stronger and better-performing organization. The ultimate aim of decentralization continues to be to transform WFP into a truly field-based organization with its decision-makers as close as possible to the people it serves through its development and humanitarian missions.

### Strengthening WFP's Emergency Response Capacity

120. WFP continues to place emphasis on improving its emergency response capacity in the new decentralized environment, particularly in the areas of preparedness and response. Special attention has been paid to enhancing the inter-agency coordination processes, particularly in strengthening and mainstreaming early warning and contingency planning approaches, enhancing logistics and improving emergency needs assessments. Related training activities, combined with standardizing and streamlining operational and normative guidance materials, continues to be an area of focus. In addition, further development of the Emergency Response Roster and related training, the development of stand-by agreements with WFP's partners, and the operationalization of the United Nations Humanitarian Response Depot in Brindisi and WFP regional reserves in strategic locations will be supported.
121. The role of normative guidance in the decentralized WFP is recognized as critical in enhancing the quality of programme management. Therefore, emphasis has been placed on not only the production of required guidance, but also the accessibility of this guidance to WFP staff. The Programme Design Manual is continuously being updated, and by the end of the year will include major revisions of emergency-related guidance.
122. Normative guidance material has been produced to assist country offices in project planning and project document preparation. WFP Contingency Planning Guidelines have been produced. An Emergency Pocketbook, providing quick reference and operational checklists, is being finalized, and the WFP Emergency Handbook will be updated by the end of the year. The Food Procurement Manual and Guidelines have been developed, as well as the first revision of a non-food procurement manual. During the next year methods and guidance on emergency needs assessment will be revised and updated, and staff will be trained in these methods, resulting in better assessment and targeting.
123. In addition, guidance and support is being provided to country offices and regional bureaux on monitoring and evaluation. This is being done in concert with a wider effort to streamline and improve reporting in WFP, which has already resulted in the revision of a number of country office reporting structures.





124. Training is key to ensuring the application of guidance by WFP staff. During the next biennium, greater emphasis will be placed on the coordination of training in order to maximize the impact of that training on the Programme's performance. Training in ICT, contingency planning, emergency needs assessment, CAP, monitoring and evaluation, emergency response, logistics and other priority areas will be continued or initiated to strengthen emergency response capacities.
125. WFP's capacity will be further enhanced thanks to the four-year partnership agreement with the United Kingdom Department for International Development (DFID) to help strengthen the Programme's institutional capacity and improve its systems and operations in key areas concerned primarily with the delivery of humanitarian assistance. The objectives of the partnership are based on WFP's Strategic and Financial Plan (2000–2003), with particular focus on strengthening WFP's capacity to respond to emergencies; enhancing the quality of its programme management; making greater use of sustainable livelihoods approaches; and promoting effective governance and accountability.
126. WFP estimates that expenditures for this activity in 2002–2003 from all sources will total approximately \$12 million.

### School Feeding

127. In 2000, WFP created a new unit to support country office responses to keen donor interest in expanding school feeding activities worldwide. WFP has had a long and successful record in school feeding, and has demonstrated clearly that school feeding programmes work to: (i) decrease short-term hunger in children; (ii) increase school enrolment and attendance; and (iii) improve school performance. The WFP experience has been particularly successful in improving educational opportunities for girls.
128. Specific activities being undertaken by the School Feeding Support Unit include: (i) the first ever global survey of national school feeding programmes; (ii) a standard results-based approach to baseline surveys in WFP school feeding operations; (iii) developing new partnerships with United Nations agencies and NGOs for school feeding; (iv) improving monitoring and reporting of WFP school feeding activities; and (v) establishing a resource centre and outreach programme to increase awareness of and support for school feeding.
129. In 2002–2003, WFP expenditures for this support unit will total \$1.48 million.

### Cost Containment

130. WFP prides itself on being an efficient organization, and recognizes the importance of keeping its costs to the minimum required to administer effective food aid programmes. One of the key benefits of the new WINGS is to enable the Programme to have accurate and up-to-date cost information to better track costs and to take action when costs appear to increase beyond anticipated levels.
131. In addition to systems improvements, however, the Programme has also taken an initial look at its most recent programmes to determine if the costs are in line with estimates and to identify the factors influencing costs in the various programme categories. In early 2001, teams from the Budget Office, Programming Service, and the Operations Department visited 14 country offices that were implementing a variety of small, medium and large development and/or relief projects to determine if the Programme was operating in the most efficient manner. While the teams reported satisfactory progress in keeping costs to



the minimum required, a number of recommendations for future cost containment were approved by the Executive Staff and are now being implemented. Among the recommendations were:

- conduct corporate biennial budget reviews of ODOC, DSC and PSA requirements for each country office;
- increase the use of National Officers in lieu of international officers wherever possible;
- analyse the costs and benefits of placing the bulk of the country office structure closer to WFP distribution points and not in the capitals;
- apply cost containment principles to all WFP offices, including Headquarters units;
- consider outside teams (from the regional bureaux and Headquarters) to assist in down-sizing country offices following a relief operation;
- outsource functions wherever possible; and
- consider a minimum resource allocation of \$2 million for development-only country offices.

132. Further efforts to keep costs to the minimum required for effective programmes will be undertaken in 2002–2003, as WINGS opens up new opportunities for additional cost analysis.

### Security of WFP Staff and Assets

133. Security and safety of staff continue to be of highest priority to the Programme. WFP has been in the forefront on security issues at all levels within the United Nations system as well as in other fora dealing with humanitarian aid workers.

134. During the past biennium WFP worked vigorously, at the inter-agency level, for the development of the Minimum Operating Security Standards (MOSS) and Minimum Security Telecommunications Standards (MISTS). These common United Nations standards will be implemented and maintained at all WFP locations as a matter of priority.

135. The WFP security contingent has been reinforced through the recent establishment and filling of the post of Chief, Security at Headquarters. This security post will seek to optimize the deployment and utilization of Field Security Officers (FSOs) in a post-decentralization environment. The challenge will be to leverage the resources of both WFP and the shared United Nations system to provide for a cadre of Regional Security Advisors (RSAs) to meet the evolving needs of WFP and its implementing partners.

136. In 2002–2003, WFP will take stock of and act upon lessons related to security. For example, more attention will be given to security incident reporting, analysis of security incidents and collaboration with other partners. WFP will also explore how it can more systematically include security aspects in regular evaluations, and will review the effectiveness of its security-awareness training programme. Responsibility vis-à-vis management of staff security will be clearly reflected in managers' job descriptions. These initiatives will ultimately lead to mainstreaming security management and to greater accountability within the Programme.

137. WFP, together with UNICEF, UNHCR and UNDP, will continue to stress the need to address shortcomings within the current security system as a matter of priority. For this, both UNSECOORD and the agencies need additional resources. Thus, agencies will continue to engage with Member States to discuss funding arrangements.



138. WFP expenditures for security costs are estimated to be \$12 million in 2002–2003, excluding the additional costs of an expanded UNSECOORD. Until the budgetary issues are appropriately revisited by the General Assembly, WFP will be requesting the Executive Board to cover the additional UNSECOORD staff safety and security costs over and above this level.

### Telecommunications

139. The successful decentralization of any organization must include an enhanced ability to communicate. To support this critical success factor for the organization, the ICT Division will work to enhance operational efficiencies and create strategic linkages through improved connectivity.
140. WFP's priorities in 2002–2003 for telecommunications include the following:
- **The continuing implementation of MISTS** worldwide to ensure that field staff have the requisite communications tools and skills to protect the safety and security of personnel and operations. With dynamic security situations and ever-changing threats, MISTS presents many challenges to the implementing team, FITTEST (Fast IT and Telecoms and Emergency Support Team).
  - **Enhancing the cost-effectiveness and reach of FITTEST** is an ongoing goal. The FITTEST teams (based in Islamabad and Kampala) continue to be heavily in demand for their specialized ICT support services, which are applied not only to MISTS but also to the operational support of country offices and emergency responses worldwide. With growing demands and a proven, highly effective operational model that is widely valued, FITTEST should become a core capacity of WFP's ICT Division.
  - **The training of field staff in essential ICT skills** represents a positive investment in the human capital of the Programme. WFP will continue to deliver targeted training to its field staff and inter-agency partners while developing new methods of delivery through stand-alone, distance learning modules.
  - **Building on the success of DFMS** (Deep Field Mailing System, which presently manages more e-mail traffic than Lotus Notes), WFP will continue identifying the best and most appropriate technologies and will adapt them to the rigorous demands of field operations.
141. In 2002–2003, WFP estimates that \$4 million will be expended on the activities outlined above.

### Staff Development and Training

142. A central theme of WFP's core training initiatives over the biennium will be assisting staff to strengthen the knowledge, skills and attitudes required to work effectively in a decentralized environment. Support to effective decentralization will come from:
- SAP/WINGS training, particularly related to the field roll-out and the HR/Payroll module that is expected to go live at Headquarters in January 2002;
  - a continuation of the push for managerial excellence through the Management Training for mid-level and senior managers;
  - the Professional Development Programme (PDP) for all WFP National Officers and International Professional Officers (P-1 to P-3), which will ensure that all staff are



better able to work effectively towards the WFP mandate with and through teams of people of varied backgrounds; and

- a global training needs assessment, identifying needs at the regional level.
143. At the same time, WFP's training will continue to concentrate on ensuring that staff are able to minimize the risks of operating in insecure environments, by ensuring continuation of Security Awareness Training (SAT) for new staff, and other security and safety-related training (including HIV/AIDS awareness). WFP will strengthen the Peer Support Volunteer (PSV) system through training of new volunteers and specialized skills upgrades for existing PSVs.
144. WFP will also continue to strengthen the technical skills required to perform its dual function in emergencies and development, through continuation of the successful Emergency Response Training and Food Aid and Development Training.
145. The 2002–2003 PSA Budget proposal includes \$4.5 million for corporate and specialized training.

### Staff Counselling and Peer Support Programme

146. The demand for staff counselling is ever increasing within the United Nations system, particularly among operational agencies and organizations with presence at the field level. WFP recognizes that the very nature of its Programme increasingly exposes its staff, and sometimes their families, to security hazards and incidents and to high levels of stress, often leading to physical and psychological risk and trauma. Counselling support has thus become a key requirement of the Programme.
147. WFP has taken the lead among United Nations agencies in developing a Staff Counselling Assistance Programme, with seven staff counsellors and a peer support network. With 100 trained peer support volunteers worldwide, the Programme is providing support to its staff and their dependants in 45 countries. The counsellors have also provided support upon request to various United Nations organizations and have formed a network with counsellors from other United Nations organizations for coordinated and effective intervention, especially during emergencies and security incidents.
148. The impact of staff counselling in WFP has been positive and far reaching. It is essential to build on this support service and sustain the morale of staff and their dependants. Therefore, the 2002–2003 budget includes \$960,000 to continue this support.

### Junior Professional Officer (JPO) Programme

149. WFP relies heavily on the JPO programme to bolster its capacity to carry out and administer operations. Donors propose candidates for a specific assignment, usually for a period of two to three years. Approximately 70 percent of the JPOs are in the field, and 30 percent at Headquarters.
150. The assignments vary during the JPO's tenure between emergency and development projects as well as programme support and management. In the forthcoming biennium, WFP expects an increase in JPO assignments, particularly to the development programme. Thus, the number of JPOs working in WFP will grow from 80 to approximately 96 in 2002–2003. WFP historically has placed approximately 50 percent of its JPOs into ongoing professional positions.
151. In 2002–2003, the total resources from the JPO programme will be approximately \$14 million.



### Post Upgradings for 2002–2003

152. The 2000–2001 budget contained provision for 40 post upgradings, all of which were applied against PSA- and DSC-funded post counts. These upgrade points were particularly helpful as WFP made the transition to a fully decentralized organization. Other points were used to recognize changes in functions at Headquarters and in the field that were brought on mostly by new or expanded responsibilities resulting from FMIP systems.
153. For the 2002–2003 biennium, the Executive Director seeks authority from the Board for 20 post upgrades.

### United Nations Coordination

154. 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 international conferences, WFP will continue to play an active and constructive role in the strengthening of United Nations coordination.
155. The Programme will continue to devote financial and human resources to support its participation in a variety of United Nations fora, including the annual session of the Economic and Social Council (ECOSOC); the Board of Chief Executives of the United Nations System (BCE) and its Subsidiary Bodies; the FAO Conference, Council and other FAO-related meetings relevant to the Programme; the Secretary-General's Senior Management Group; the Inter-agency Standing Committee (IASC); the Executive Committee on Humanitarian Affairs (ECHA); and the UNDG.
156. With particular regard to humanitarian issues, WFP will be focusing its efforts increasingly on strengthening cooperation and collaboration with United Nations and non-United Nations partners on enhancing emergency preparedness and response capacities, including with the Department of Peace-keeping Operations (DPKO). In this context, it may be necessary to identify new resources to ensure follow-up to the goals set by the Brahimi report.
157. As the UNDAF approach achieves full coverage, an increasing number of country offices will be called upon to devote significant staff resources to Common Country Assessment (CCA) and UNDAF exercises, in line with WFP's commitment to greater programme coordination through these mechanisms.
158. In addition, WFP is committed to harmonization of development programmes cycles, as a first step to the CCA/UNDAF process. This implies a certain commitment of staff time to ensure inter-agency coordination and work with Governments that will lead to sustainability.
159. Within and outside more formalized mechanisms, WFP will continue to collaborate at the strategic and operational levels with a range of United Nations partners and NGOs to ensure that WFP's efforts to save lives and eradicate hunger are widely known. Such collaboration has both financial and human resource implications and includes *inter alia* working with humanitarian and development agencies at the Headquarters and field levels to improve coordination in the delivery of assistance and to address issues of common concern with other United Nations actors. WFP will also work with other members of the United Nations Secretariat to improve the coherence and complementarity of humanitarian and development activities with United Nations political and peacekeeping initiatives.
160. WFP will continue to strengthen its role and function in inter-agency coordination and planning, including through more extensive and systematic collaboration in the Consolidated Appeal Process (CAP) with United Nations agencies, NGOs and other



operational partners. WFP will also continue to enhance partnerships and technical cooperation (e.g. with UNAIDS, WHO, UNESCO and UNICEF) on HIV/AIDS, school feeding, nutrition and other relevant issues, and may need to forge new partnerships to address emerging issues. In this regard, a revision of WFP's MOU with UNHCR is under way. In addition, particular attention will be devoted to collaboration with FAO and the International Fund for Agricultural Development (IFAD). Such cooperation will benefit from frequent meetings and/or joint assessment/evaluation missions at the policy and technical levels.

161. Equally important will be the sustained responsiveness to guidance given by the Board's governance structure (ECOSOC and FAO Council). In addition, participation by the President of the Executive Board of WFP in the joint meetings of the Boards of the Funds and Programmes in New York will enhance coordination in terms of agenda-setting and cohesion on policy issues.
162. Finally, WFP has been collaborating with the following United Nations organizations on women's empowerment and gender mainstreaming: FAO on the development of a Socio-Economic and Gender Analysis (SEAGA) Manual for Emergency Programmes; UNICEF as co-chair of the IASC Sub-working Group on Gender in Humanitarian Assistance; and the Office for the Coordination of Humanitarian Affairs (OCHA) on the CAP to integrate a gender perspective through a capacities and vulnerabilities analysis approach. WFP continues to set an example for the United Nations with its specific and challenging targets set as Commitments to Women for 1996–2001. These include a commitment to reduce the gender gap by allocating at least 60 percent of resources to women and girls in those countries where gender statistics demonstrate a 25-percentage-point disadvantage (gender gap) for women compared with men.





# Section IV. Tables and Annexes

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Table A: Projected Income and Expenditures and Changes in Fund Balances, 2000–2001

Table B: PSA and DSC Staffing Table, 2000–2001 and 2002–2003

Table C: PSA Budget by Organizational Unit and by Appropriation Line, 2000–2001 and 2002–2003

Annex I: WFP Organizational Chart with Organizational Unit Acronyms

Annex II: Highlights of the Strategic and Financial Plan, 2002–2005

Annex III: Budget Methodology

Annex IV: Terminology



TABLE A: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2000-2001 (million US\$)

	General Fund	Development	EMOP	PRRO	Special Operations	Bilateral and others	TOTAL
<b>2000-2001 Opening balance</b>	<b>95</b>	<b>104</b>	<b>60</b>	<b>51</b>	<b>9</b>	<b>73</b>	<b>392</b>
<b>Add: Estimated contributions and income</b>							
Commodity contributions		307	789	495	0	0	1 591
Other contributions	2	209	849	611	49	90	1 811
<b>Subtotal</b>	<b>2</b>	<b>516</b>	<b>1 638</b>	<b>1 107</b>	<b>49</b>	<b>90</b>	<b>3 403</b>
Interest and other income	97						97
GCCC	2						2
Transfer of indirect support cost contributions to General Fund	248	-37	-120	-80	-4	-6	0
<b>TOTAL</b>	<b>349</b>	<b>479</b>	<b>1 518</b>	<b>1 026</b>	<b>46</b>	<b>84</b>	<b>3 502</b>
<b>Less: Estimated expenditures</b>							
Operational costs in commodities		321	657	487			1 465
Other operational costs:							
Ocean transport		93	236	169		1	499
LTSH		41	402	284		9	736
Other	4	20	24	10	37	50	143
Direct support costs		37	137	106	13	17	311
Indirect support costs	240						240
Others*	9					2	10
<b>TOTAL</b>	<b>252</b>	<b>512</b>	<b>1 455</b>	<b>1 056</b>	<b>50</b>	<b>79</b>	<b>3 405</b>
<b>2000-01 Closing balance</b>	<b>192</b>	<b>71</b>	<b>123</b>	<b>21</b>	<b>5</b>	<b>77</b>	<b>489</b>
<i>Volume (in thousand tons)</i>		<i>1 419</i>	<i>3 509</i>	<i>2 254</i>			<i>7 181</i>

\* Expenditure under Special Accounts and Trust Funds.



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2000-2001 AND 2002-2003

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
<b>A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>													
<b>Regional offices</b>													
<b>Asia</b>													
2000-2001	PSA		1.0	1.0	3.0	7.0	3.0	-	-	15.0	5.0	10.0	30.0
2002-2003	PSA		1.0	1.0	3.0	7.0	3.0	-	-	15.0	5.0	10.0	30.0
<b>Eastern Europe</b>													
2000-2001	DSC			1.0	1.0	1.0	3.0	3.0		9.0		4.0	13.0
2002-2003	PSA			1.0						1.0			1.0
	DSC				1.0	2.0	7.5			10.5		4.0	14.5
	<b>TOTAL 2002-2003</b>		-	1.0	1.0	2.0	7.5	-	-	11.5	-	4.0	15.5
<b>Latin America and Caribbean</b>													
2000-2001	PSA		1.0	2.0	2.0	8.0	1.0	1.0		15.0	6.0	15.0	36.0
2002-2003	PSA		1.0	2.0	4.0	5.0	1.0	1.0		14.0	3.0	19.0	36.0
<b>Middle East, Central Asia and Mediterranean</b>													
2000-2001	PSA		1.0	2.0	2.0	8.0	2.0	-		15.0	5.0	17.0	37.0
2002-2003	PSA		1.0	2.0	1.0	9.0	2.0	-		15.0	5.0	17.0	37.0
<b>East and Southern Africa</b>													
2000-2001	PSA		1.0	2.0	4.0	7.0	4.0	-		18.0	6.0	14.0	38.0
2002-2003	PSA		1.0	2.0	6.0	6.0	3.0	-		18.0	5.0	17.0	40.0
<b>West Africa</b>													
2000-2001	PSA		1.0	1.0	3.0	6.0	2.0	-		13.0	5.0	10.0	28.0
2002-2003	PSA		1.0	1.0	3.0	6.0	2.0	-		13.0	6.0	11.0	30.0
<b>Central Africa</b>													
2000-2001	PSA		1.0	1.0	2.0	6.0	3.0	-		13.0	5.0	10.0	28.0
2002-2003	PSA		1.0	1.0	2.0	6.0	3.0	-		13.0	5.0	11.0	29.0
<b>Subtotal, regional offices</b>													
<b>2000-2001</b>	<b>PSA</b>		<b>6.0</b>	<b>9.0</b>	<b>16.0</b>	<b>42.0</b>	<b>15.0</b>	<b>1.0</b>	<b>-</b>	<b>89.0</b>	<b>32.0</b>	<b>76.0</b>	<b>197.0</b>
	<b>DSC</b>		<b>-</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>3.0</b>	<b>3.0</b>	<b>-</b>	<b>9.0</b>	<b>-</b>	<b>4.0</b>	<b>13.0</b>
	<b>TOTAL 2000-20001</b>		<b>6.0</b>	<b>10.0</b>	<b>17.0</b>	<b>43.0</b>	<b>18.0</b>	<b>4.0</b>	<b>-</b>	<b>98.0</b>	<b>32.0</b>	<b>80.0</b>	<b>210.0</b>
<b>2002-2003</b>	<b>PSA</b>		<b>6.0</b>	<b>10.0</b>	<b>19.0</b>	<b>39.0</b>	<b>14.0</b>	<b>1.0</b>	<b>-</b>	<b>89.0</b>	<b>29.0</b>	<b>85.0</b>	<b>203.0</b>
	<b>DSC</b>		<b>-</b>	<b>-</b>	<b>1.0</b>	<b>2.0</b>	<b>7.5</b>	<b>-</b>	<b>-</b>	<b>10.5</b>	<b>-</b>	<b>4.0</b>	<b>14.5</b>
	<b>TOTAL 2002-2003</b>		<b>6.0</b>	<b>10.0</b>	<b>20.0</b>	<b>41.0</b>	<b>21.5</b>	<b>1.0</b>	<b>-</b>	<b>99.5</b>	<b>29.0</b>	<b>89.0</b>	<b>217.5</b>
<b>Country offices</b>													
2000-2001	PSA		3.0	11.5	39.5	8.5				62.5	107.0	263.5	433.0
	DSC		1.0	2.0	20.0	68.0	153.0	135.0	8.0	387.0	92.0	3 963.0	4 442.0
	<b>TOTAL 2000-2001</b>		<b>-</b>	<b>-</b>	<b>4.0</b>	<b>13.5</b>	<b>59.5</b>	<b>76.5</b>	<b>153.0</b>	<b>135.0</b>	<b>8.0</b>	<b>449.5</b>	<b>4 875.0</b>



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2000-2001 AND 2002-2003

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
2002-2003	PSA			6.0	18.0	38.0	8.0				70.0	111.0	269.0	450.0
	DSC			1.0	-	14.0	60.0	138.0	122.0	7.0	342.0	92.0	3 556.0	3 990.0
	<b>TOTAL 2002-2003</b>	-	-	7.0	18.0	52.0	68.0	138.0	122.0	7.0	412.0	203.0	3 825.0	4 440.0
<b>TOTAL, PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>														
2000-2001	PSA	-	-	9.0	20.5	55.5	50.5	15.0	1.0	-	151.5	139.0	339.5	630.0
	DSC	-	-	1.0	3.0	21.0	69.0	156.0	138.0	8.0	396.0	92.0	3 967.0	4 455.0
	<b>TOTAL 2000-20001</b>	-	-	10.0	23.5	76.5	119.5	171.0	139.0	8.0	547.5	231.0	4 306.5	5 085.0
2002-2003	PSA	-	-	12.0	28.0	57.0	47.0	14.0	1.0	-	159.0	140.0	354.0	653.0
	DSC	-	-	1.0	-	15.0	62.0	145.5	122.0	7.0	352.5	92.0	3 560.0	4 004.5
	<b>TOTAL 2002-2003</b>	-	-	13.0	28.0	72.0	109.0	159.5	123.0	7.0	511.5	232.0	3 914.0	4 657.5
<b>B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)</b>														
2000-2001	PSA	-	1.0	2.0	5.0	6.0	18.0	12.0	3.0	-	47.0	-	72.0	119.0
	DSC	-	-	-	-	2.0	2.0	2.0	1.0	-	7.0	-	3.3	10.3
	<b>TOTAL 2000-2001</b>	-	1.0	2.0	5.0	8.0	20.0	14.0	4.0	-	54.0	-	75.3	129.3
2002-2003	PSA	-	1.0	2.0	5.0	8.5	15.5	14.0	2.0	-	48.0	-	69.0	117.0
	DSC	-	-	-	-	1.0	1.0	1.0	-	-	3.0	-	2.0	5.0
	<b>TOTAL 2002-2003</b>	-	1.0	2.0	5.0	9.5	16.5	15.0	2.0	-	51.0	-	71.0	122.0
<b>C. MANAGEMENT &amp; ADMINISTRATION</b>														
<b>Management</b>														
Office of Executive Director (OED)														
2000-2001	PSA	1.0	1.0	1.0	5.0	6.0	11.0	5.0	2.0	-	32.0	-	24.0	56.0
2002-2003	PSA	1.0	1.0	2.0	4.0	7.0	11.0	5.0	2.0	-	33.0	-	25.0	58.0
Resources & External Relations Division (RE)														
2000-2001	PSA	-	-	2.0	7.0	8.0	14.5	14.0	2.0	-	47.5	-	45.0	92.5
2002-2003	PSA	-	-	2.0	7.0	8.0	21.0	10.5	-	-	48.5	-	47.0	95.5
Strategy & Policy Division (SP)														
2000-2001	PSA	-	-	1.0	3.0	7.0	4.0	2.0	-	-	17.0	-	8.0	25.0
2002-2003	PSA	-	-	1.0	3.0	7.0	4.0	2.0	-	-	17.0	-	9.0	26.0
<b>Subtotal, Management</b>														
2000-2001	<b>PSA</b>	<b>1.0</b>	<b>1.0</b>	<b>4.0</b>	<b>15.0</b>	<b>21.0</b>	<b>29.5</b>	<b>21.0</b>	<b>4.0</b>	<b>-</b>	<b>96.5</b>	<b>-</b>	<b>77.0</b>	<b>173.5</b>
2002-2003	<b>PSA</b>	<b>1.0</b>	<b>1.0</b>	<b>5.0</b>	<b>14.0</b>	<b>22.0</b>	<b>36.0</b>	<b>17.5</b>	<b>2.0</b>	<b>-</b>	<b>98.5</b>	<b>-</b>	<b>81.0</b>	<b>179.5</b>
<b>Administration</b>														
Office of Assistant Executive Director - Administration (AD)														
2000-2001	PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0
2002-2003	PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2000-2001 AND 2002-2003

Division/Unit	International professional category and above										Others			
	ED	DED/	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS and other	Grand Total	
Finance Division (FS)														
2000-2001	PSA	-	-	1.0	1.0	4.0	5.0	4.0	4.0	-	19.0		35.0	54.0
2002-2003	PSA	-	-	1.0	1.0	4.0	5.0	6.0	5.0	-	22.0		33.0	55.0
Information & Communication Technology Division (ICT)														
2000-2001	PSA	-	-	1.0	1.0	4.0	8.0	11.0	6.0	-	31.0		33.0	64.0
2002-2003	PSA	-	-	1.0	1.0	4.0	10.0	11.0	6.0	-	33.0	-	32.0	65.0
Human Resources Division (HR)														
2000-2001	PSA	-	-	1.0	1.0	3.0	7.0	4.0	2.0	11.0	29.0		35.0	64.0
	DSC					-	-	4.0	1.0		5.0		7.0	12.0
	<b>TOTAL 2000-2001</b>	-	-	1.0	1.0	3.0	7.0	8.0	3.0	11.0	34.0	-	42.0	76.0
2002-2003	PSA	-	-	1.0	1.0	3.0	8.0	4.0	5.0	11.0	33.0		35.0	68.0
	DSC					-	-	2.0	2.0		4.0		5.0	9.0
	<b>TOTAL 2002-2003</b>	-	-	1.0	1.0	3.0	8.0	6.0	7.0	11.0	37.0	-	40.0	77.0
Management Services Division (MS)														
2000-2001	PSA	-	-	-	1.0	2.0	7.0	5.0	1.0	1.0	17.0		50.0	67.0
	DSC										-		1.0	1.0
	<b>TOTAL 2000-2001</b>	-	-	-	1.0	2.0	7.0	5.0	1.0	1.0	17.0	-	51.0	68.0
2002-2003	PSA	-	-	-	1.0	3.0	5.0	5.0	1.0	1.0	16.0		49.0	65.0
<b>Subtotal, Administration</b>														
2000-2001	PSA	-	1.0	3.0	4.0	13.0	28.0	24.0	13.0	12.0	98.0	-	155.0	253.0
	DSC	-	-	-	-	-	-	4.0	1.0	-	5.0	-	8.0	13.0
	<b>TOTAL 2000-20001</b>	-	1.0	3.0	4.0	13.0	28.0	28.0	14.0	12.0	103.0	-	163.0	266.0
2002-2003	PSA	-	1.0	3.0	4.0	14.0	29.0	26.0	17.0	12.0	106.0	-	151.0	257.0
	DSC	-	-	-	-	-	-	2.0	2.0	-	4.0	-	5.0	9.0
	<b>TOTAL 2002-2003</b>	-	1.0	3.0	4.0	14.0	29.0	28.0	19.0	12.0	110.0	-	156.0	266.0
<b>TOTAL, MANAGEMENT &amp; ADMINISTRATION</b>														
2000-2001	PSA	1.0	2.0	7.0	19.0	34.0	57.5	45.0	17.0	12.0	194.5	-	232.0	426.5
	DSC	-	-	-	-	-	-	4.0	1.0	-	5.0	-	8.0	13.0
	<b>TOTAL 2000-20001</b>	1.0	2.0	7.0	19.0	34.0	57.5	49.0	18.0	12.0	199.5	-	240.0	439.5
2002-2003	PSA	1.0	2.0	8.0	18.0	36.0	65.0	43.5	19.0	12.0	204.5	-	232.0	436.5
	DSC	-	-	-	-	-	-	2.0	2.0	-	4.0	-	5.0	9.0
	<b>TOTAL 2002-2003</b>	1.0	2.0	8.0	18.0	36.0	65.0	45.5	21.0	12.0	208.5	-	237.0	445.5
<b>GRAND TOTAL</b>														
2000-2001	PSA	1.0	3.0	18.0	44.5	95.5	126.0	72.0	21.0	12.0	393.0	139.0	643.5	1 175.5
	DSC	-	-	1.0	3.0	23.0	71.0	162.0	140.0	8.0	408.0	92.0	3 978.3	4 478.3
	<b>TOTAL 2000-20001</b>	1.0	3.0	19.0	47.5	118.5	197.0	234.0	161.0	20.0	801.0	231.0	4 621.8	5 653.8
2002-2003	PSA	1.0	3.0	22.0	51.0	101.5	127.5	71.5	22.0	12.0	411.5	140.0	655.0	1 206.5
	DSC	-	-	1.0	-	16.0	63.0	148.5	124.0	7.0	359.5	92.0	3 567.0	4 018.5
	<b>TOTAL 2002-2003</b>	1.0	3.0	23.0	51.0	117.5	190.5	220.0	146.0	19.0	771.0	232.0	4 222.0	5 225.0



Table C: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2000-2001 AND 2002-2003 (thousand US\$)

Division/Unit	Staff Cost	Over-time	Consultancy	Travel	Info. & Publ.	Documents/ Meetings	Training	Communi cations	MIS/Comp.	Other Operating Expenses	Services from FAO	Services from Other UN Org.	Total Non-Staff Cost	Grand Total
<b>A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>														
<b>Regional offices</b>														
2000-2001 Total of old structure	27 594									14 906			14 906	42 500
2002-2003														
Asia	5 544									1 648			1 648	7 192
Eastern Europe	264												0	264
Latin America and Caribbean	5 537									1 201			1 201	6 738
Mid. East, Central Asia and Mediter.	5 905									1 200			1 200	7 105
East and Southern Africa	6 587									2 599			2 599	9 187
West Africa	4 876									1 648			1 648	6 524
Central Africa	4 745									1 649			1 649	6 394
<b>Subtotal</b>	<b>33 460</b>									<b>9 944</b>			<b>9 944</b>	<b>43 403</b>
<b>Country offices</b>														
2000-2001	33 831									8 909			8 909	42 740
2002-2003	35 125									9 193			9 193	44 319
<b>TOTAL, PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>														
<b>2000-2001</b>	<b>61 425</b>									<b>23 815</b>			<b>23 815</b>	<b>85 240</b>
<b>2002-2003</b>	<b>68 585</b>									<b>19 137</b>			<b>19 137</b>	<b>87 722</b>
<b>B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)</b>														
Office of Asst. Executive Director- Operations Department (OD)														
2000-2001	1 911	5	278	150	42	-	11	-	-	5	-	-	491	2 402
2002-2003	2 365	8	120	225	-	-	30	-	-	18	-	-	401	2 766
Programming Service (ODP)														
2000-2001	3 116	7	85	17	-	-	20	-	-	-	-	-	129	3 245
2002-2003	3 161	10	25	30	-	-	-	-	-	-	-	-	65	3 226
Office of Dev. Activities (ODA), Humanitarian Affairs (OHA) and VAM														
2000-2001	2 045	2	1 530	125	260	-	-	-	-	200	-	-	2 117	4 162
2002-2003	2 219	6	400	309	86	-	60	8	-	97	-	-	966	3 186
Transport Division (OT)														
2000-2001	11 099	11	900	479	55	21	379	950	10	5	-	107	2 916	14 015
2002-2003	9 128	14	71	277	9	-	-	-	-	16	-	-	387	9 514



Table C: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2000-2001 AND 2002-2003 (thousand US\$)

Division/Unit	Staff Cost	Over-time	Consultancy	Travel	Info. & Publ.	Documents/ Meetings	Training	Communi- cations	MIS/Comp.	Other Operating Expenses	Services from FAO	Services from Other UN Org.	Total Non-Staff Cost	Grand Total
Asia and Africa Bureau, Bureau liaison offices 2000-2001	5 604	7	-	388	-	-	17	-	-	7	-	-	420	6 023
<b>TOTAL, PROGRAMME SUPPORT - HEADQUARTERS</b>														
<b>2000-2001</b>	<b>23 775</b>	<b>32</b>	<b>2 793</b>	<b>1 159</b>	<b>357</b>	<b>21</b>	<b>427</b>	<b>950</b>	<b>10</b>	<b>216</b>	<b>-</b>	<b>107</b>	<b>6 072</b>	<b>29 847</b>
<b>2002-2003</b>	<b>16 873</b>	<b>38</b>	<b>616</b>	<b>841</b>	<b>95</b>	<b>-</b>	<b>90</b>	<b>8</b>	<b>-</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>1 819</b>	<b>18 692</b>
<b>C. MANAGEMENT &amp; ADMINISTRATION</b>														
<b>Management</b>														
Office of Executive Director (OED)														
2000-2001	9 795	38	920	676	3	-	62	-	-	125	702	1 000	3 525	13 321
2002-2003	9 998	42	566	723	5	-	20	-	-	62	402	1 000	2 821	12 818
Resources & External Relations Division (RE)														
2000-2001	14 617	28	996	910	2 256	2 307	72	304	58	924	-	-	7 855	22 472
2002-2003	14 951	34	457	723	2 356	2 131	25	193	32	668	2	216	6 836	21 787
Strategy & Policy Division (SP)														
2000-2001	4 313	3	2 906	350	176	300	335	40	80	194	-	-	4 383	8 697
2002-2003	4 782	7	970	541	93	-	-	37	12	216	-	-	1 875	6 657
<b>Subtotal, Management</b>														
<b>2000-2001</b>	<b>28 726</b>	<b>69</b>	<b>4 822</b>	<b>1 936</b>	<b>2 435</b>	<b>2 607</b>	<b>468</b>	<b>344</b>	<b>138</b>	<b>1 243</b>	<b>702</b>	<b>1 000</b>	<b>15 764</b>	<b>44 489</b>
<b>2002-2003</b>	<b>29 731</b>	<b>82</b>	<b>1 993</b>	<b>1 987</b>	<b>2 454</b>	<b>2 131</b>	<b>45</b>	<b>230</b>	<b>44</b>	<b>945</b>	<b>404</b>	<b>1 216</b>	<b>11 531</b>	<b>41 262</b>
<b>Administration</b>														
Office of Asst. Executive Director-Administration (AD)														
2000-2001	392	2	75	75	-	-	5	-	-	3	-	-	160	552
2002-2003	742	10	75	80	-	-	-	-	-	5	-	-	170	912
Finance Division (FS)														
2000-2001	7 654	105	496	131	1	-	56	-	270	2	225	-	1 286	8 940
2002-2003	7 553	106	86	112	-	-	-	-	-	11	225	-	540	8 094
Info. & Communication Tech. Division (ICT)														
2000-2001	9 379	80	2 337	274	10	123	237	4 526	2 897	7 317	60	1 900	19 762	29 141
2002-2003	9 249	99	3 710	280	213	-	104	2 186	1 495	2	-	1 600	9 689	18 938
Human Resources Division (HR)														
2000-2001	8 706	32	1 184	355	-	75	8 519	-	-	79	1 209	-	11 452	20 158
2002-2003	9 023	48	607	261	-	-	4 225	-	-	48	1 153	15	6 357	15 379

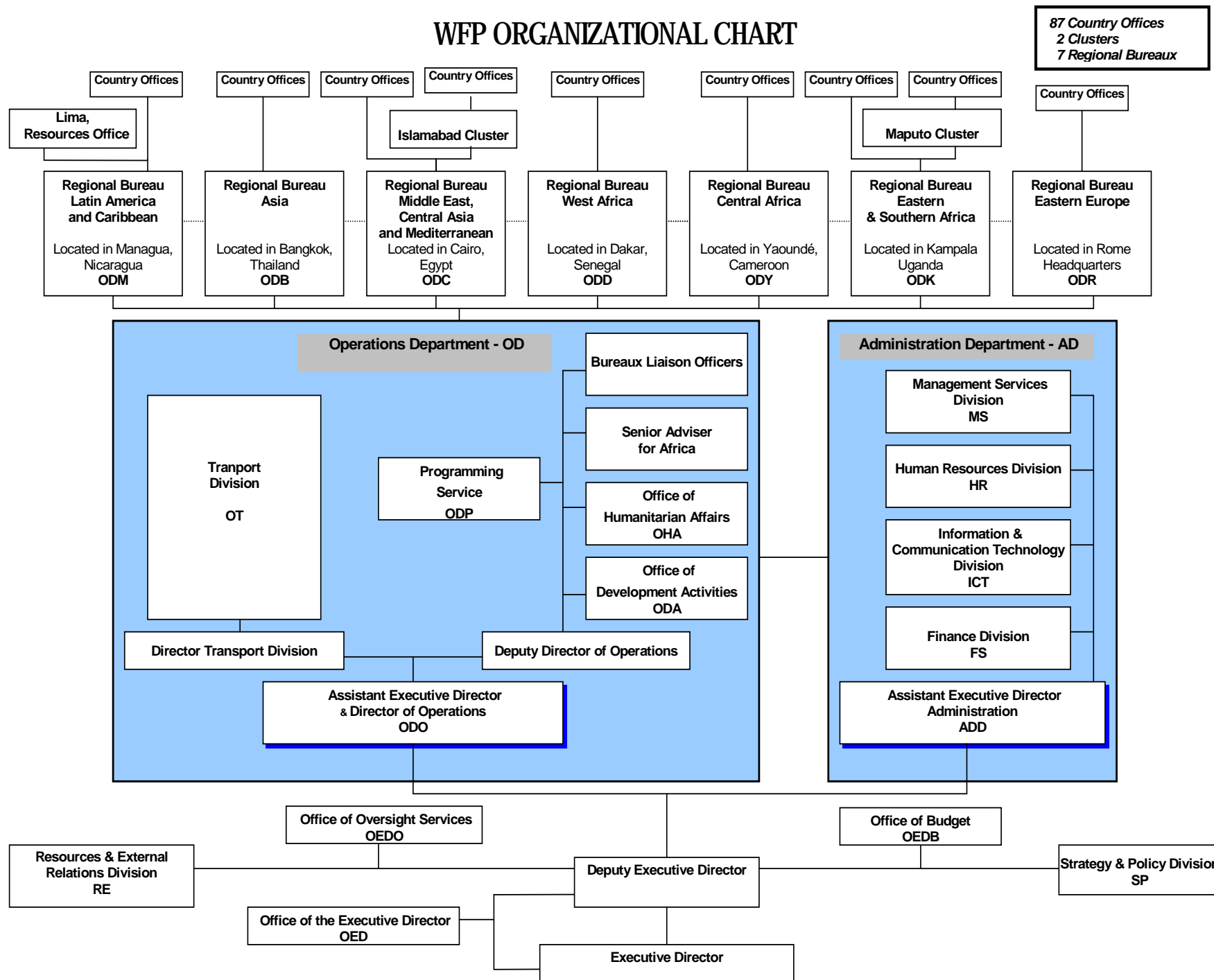


Table C: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2000-2001 AND 2002-2003 (thousand US\$)

Division/Unit	Staff Cost	Over-time	Consultancy	Travel	Info. & Publ.	Documents/ Meetings	Training	Communi- cations	MIS/Comp.	Other Operating Expenses	Services from FAO	Services from Other UN Org.	Total Non-Staff Cost	Grand Total
Management Services Division (MS)														
2000-2001	8 484	273	379	282	10	-	62	-	-	7 626	460	120	9 212	17 696
2002-2003	7 254	238	192	225	10	-	30	-	-	7 444	300	140	8 579	15 833
<b>Subtotal, Administration</b>														
<b>2000-2001</b>	<b>34 615</b>	<b>492</b>	<b>4 471</b>	<b>1 117</b>	<b>21</b>	<b>198</b>	<b>8 879</b>	<b>4 526</b>	<b>3 167</b>	<b>15 026</b>	<b>1 954</b>	<b>2 020</b>	<b>41 872</b>	<b>76 486</b>
<b>2002-2003</b>	<b>33 821</b>	<b>501</b>	<b>4 670</b>	<b>958</b>	<b>223</b>	<b>-</b>	<b>4 359</b>	<b>2 186</b>	<b>1 495</b>	<b>7 510</b>	<b>1 678</b>	<b>1 755</b>	<b>25 335</b>	<b>59 156</b>
Statutory Requirements														
2000-2001													3 684	3 684
2002-2003													2 968	2 968
<b>TOTAL, MANAGEMENT &amp; ADMINISTRATION</b>														
<b>2000-01</b>	<b>63 340</b>	<b>561</b>	<b>9 293</b>	<b>3 053</b>	<b>2 456</b>	<b>2 804</b>	<b>9 348</b>	<b>4 870</b>	<b>3 305</b>	<b>16 269</b>	<b>2 656</b>	<b>3 020</b>	<b>61 319</b>	<b>124 659</b>
<b>2002-03</b>	<b>63 552</b>	<b>584</b>	<b>6 662</b>	<b>2 945</b>	<b>2 677</b>	<b>2 131</b>	<b>4 404</b>	<b>2 416</b>	<b>1 539</b>	<b>8 455</b>	<b>2 082</b>	<b>2 971</b>	<b>39 834</b>	<b>103 386</b>
<b>GRAND TOTAL</b>														
<b>2000-01</b>	<b>148 540</b>	<b>594</b>	<b>12 086</b>	<b>4 212</b>	<b>2 813</b>	<b>2 825</b>	<b>9 774</b>	<b>5 820</b>	<b>3 315</b>	<b>40 300</b>	<b>2 656</b>	<b>3 127</b>	<b>91 206</b>	<b>239 746</b>
<b>2002-03</b>	<b>149 010</b>	<b>622</b>	<b>7 278</b>	<b>3 786</b>	<b>2 772</b>	<b>2 131</b>	<b>4 494</b>	<b>2 424</b>	<b>1 539</b>	<b>27 723</b>	<b>2 082</b>	<b>2 971</b>	<b>60 790</b>	<b>209 800</b>



# WFP ORGANIZATIONAL CHART





## ACRONYMS OF WFP ORGANIZATIONAL UNITS

<b>OED</b>	<b>OFFICE OF THE EXECUTIVE DIRECTOR</b>
OED	Office of the Executive Director, OED
OEDB	Office of Budget
OEDO	Office of Oversight Services
<b>SP</b>	<b>STRATEGY AND POLICY DIVISION</b>
SPD	Office of the Director, SP
SPF	School Feeding Support Unit
SPP	Policy Affairs Service
SPS	Strategy Planning Service
SPT	Technical Support Unit
SPW	World Bank Liaison Office
<b>RE</b>	<b>RESOURCES AND EXTERNAL RELATIONS DIVISION</b>
RED	Office of the Director, RE
REA	Resources Mobilization Service (Americas, Australia and Asia)
REB	Liaison Office, Brussels
REC	Executive Board Secretariat and Inter-agency Affairs Service
REE	Resources Mobilization Service (Europe, Middle East and Africa)
REF	Private Sector Fund Raising
REG	Liaison Office, Geneva
REJ	Liaison Office, Japan
REN	Liaison Office, New York
REP	Public Affairs Service
REW	Liaison Office, Washington
<b>OD</b>	<b>OPERATIONS DEPARTMENT</b>
ODO	Office of the Assistant Executive Director, OD
ODA	Office of Development Activities
ODB	Asia Regional Bureau (Bangkok)
ODC	Middle East, Central Asia and Mediterranean Regional Bureau (Cairo)
ODD	West Africa Regional Bureau (Dakar)
ODK	East & Southern Africa Regional Bureau (Kampala)
ODM	Latin America and Caribbean Bureau (Managua)
ODP	Programming Service
ODR	Eastern Europe Regional Bureau (Rome)
ODY	Central Africa Regional Bureau (Yaounde)
OHA	Office of Humanitarian Affairs
VAM	Vulnerability Analysis Mapping Unit
<b>OT</b>	<b>TRANSPORT AND LOGISTICS DIVISION</b>
OTD	Office of the Director, OT

OTF	Freight Analysis and Support Branch
OTI	Insurance and Legal Branch
OTL	Logistics Service
OTS	Ocean Transport Service
<b>AD</b>	<b>ADMINISTRATION DEPARTMENT</b>
ADD	Office of the Assistant Executive Director, AD
<b>FS</b>	<b>FINANCE DIVISION</b>
FSD	Office of the Director, FS
FSA	Accounts Branch
FSC	Contribution and Project Accounting Branch
FSP	Payments and Payroll Branch
FSF	Field Support Branch
FST	Treasury Branch
<b>ICT</b>	<b>INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION</b>
ICTA	Database and Security Administration Branch
ICTD	Information Systems Development Branch
ICTI	Information Management Branch
ICTS	Infrastructure Development and Systems Integration Branch
ICTT	ICT Field Services Branch
<b>HR</b>	<b>HUMAN RESOURCES DIVISION</b>
HRD	Office of the Director, HR
HRC	Career Development Unit
HROI	International Staff Management and Recruitment Unit
HROT	Operations Teams Contract and Benefits
HRP	Policy Support Unit
HRS	Staff Relations and Servicing Branch
<b>MS</b>	<b>MANAGEMENT SERVICES DIVISION</b>
MSD	Office of the Director, MS
MSA	Administrative Services Branch
MSP	Procurement and Contracts Branch
MSS	Headquarters and Field Security Unit
MST	Travel Unit





# Annex II

## Highlights of the WFP Strategic and Financial Plan, 2002–2005

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### WFP'S GOAL, OBJECTIVES AND INDICATORS

This annex is derived from Section II of WFP's approved Strategic and Financial Plan, 2002–2005.

The goal is what WFP aims to achieve. The objectives are the major steps required to achieve that goal. To monitor the Programme's progress, indicators are provided for each objective. These concentrate on the early, concrete results expected so that performance can be reviewed annually. This is the first time WFP has developed such indicators. Experience in using them will be required to assess their usefulness fully.

The WFP Goal for 2002–2005 is:

***Excellence in providing food assistance that enables all planned beneficiaries of WFP relief activities to survive and maintain healthy nutritional status, and enabling the social and economic development of at least 30 million hungry people every year.***

*The objectives, indicators and indicative budgets from that Plan are shown by programme category and support activities in the following pages.*



I. DEVELOPMENT PROGRAMMES AND PROJECTS
--

**Indicative Resource Availability**

**2002–2003 \$633 million**

**2004–2005 \$638 million**

<b>Objectives</b>	<b>Annual Indicators of Results</b>
<p><b>I.A. Annually to have enabled at least 30 million targeted hungry poor people to participate in development opportunities by removing hunger as a constraint:</b></p> <ul style="list-style-type: none"> <li>➤ Within the ratio of 50 percent for LDCs: 90 percent for LIFDCs and 10 percent for other countries</li> <li>➤ With the planned ration, within the approved budget and timetable</li> <li>➤ Targeting the poorest of the poor</li> <li>➤ With at least 75 percent of beneficiaries being women and children</li> <li>➤ Giving control of the food assistance to women</li> <li>➤ Enabling the creation of personal and community developmental assets in the categories of: mother and child health, education and training, physical infrastructure, disaster mitigation and natural resource management (at least 25 percent of assets created will be controlled by women)</li> </ul>	<p><b>I.A. Total number of beneficiaries:</b></p> <ul style="list-style-type: none"> <li>➤ Ratio of WFP development expenditure for LDCs, LIFDCs and other countries</li> <li>➤ Percentage of activities implemented as planned regarding (i) ration size distributed, (ii) expenditure commitment level, and (iii) timing of distributions</li> <li>➤ Percentage of beneficiaries earning less than \$1 per day</li> <li>➤ Percentage of women and children beneficiaries</li> <li>➤ Percentage of females on local food/activity committees in charge of distribution</li> <li>➤ Number of beneficiaries who gained a personal or community asset by asset category, gender and age group</li> <li>➤ Quantity of assets created and controlled by beneficiaries in each asset category, by gender and age group</li> </ul>
<p><b>I.B. To have aligned all activities with the Enabling Development policy and guidelines by 2003:</b></p> <ul style="list-style-type: none"> <li>➤ To have ensured partnerships for the provision of essential non-food inputs</li> </ul>	<p><b>I.B. Percentage of activities aligned with the Enabling Development policy and guideline requirements, by expenditure:</b></p> <ul style="list-style-type: none"> <li>➤ Number and percentage of projects with partner inputs, by partnership type and value of resources contributed</li> </ul>
<p><b>I.C. To have had output- and outcome-level results for the following percentages of the development portfolio: 50 percent (2002), 75 percent (2003), 90 percent (2004), 100 percent (2005)</b></p>	<p><b>I.C. Percentage of activity standard project reports containing output and outcome results</b></p>

<b>II. EMERGENCY OPERATIONS</b>
---------------------------------

**Indicative Resource Availability**  
**2002–2003 \$1.3 billion**  
**2004–2005 \$1.2 billion**

<b>Objectives</b>	<b>Annual Indicators of Results</b>
<p><b>II.A. To have fed 100 percent of the hungry people targeted in approved EMOPs:</b></p> <ul style="list-style-type: none"> <li>➤ With the planned ration, within the approved budget and timetable</li> <li>➤ With at least 80 percent of recipients being women and children</li> <li>➤ Giving control of the food assistance to women</li> <li>➤ Enabling targeted people to sustain themselves without emergency assistance</li> </ul>	<p><b>II.A. Percentage of total planned beneficiaries in approved EMOPs who received WFP food assistance:</b></p> <ul style="list-style-type: none"> <li>➤ Percentage of total planned beneficiaries who received the planned ration within the approved budget and timetable</li> <li>➤ Number of women and children beneficiaries</li> <li>➤ Percentage of local food aid distribution committees/structures/mechanisms managed or controlled by women</li> <li>➤ Percentage of former EMOP beneficiaries no longer requiring emergency food assistance</li> </ul>
<p><b>II.B. To have designed phase-out strategies, or PRROs where necessary, to help people transition from EMOP assistance to development</b></p>	<p><b>II.B. Percentage of concluded EMOPs with a phase-out strategy and/or transition to another programme category</b></p>
<p><b>II.C. To have had output-level results for the following percentages of the EMOP portfolio: 50 percent (2002), 75 percent (2003), 90 percent (2004), 100 percent (2005)</b></p>	<p><b>II.C. Percentage of EMOP programme by expenditure, for which output monitoring information was available</b></p>



<b>III. PROTRACTED RELIEF AND RECOVERY OPERATIONS</b>
---

**Indicative Resource Availability**  
 2002–2003 \$880 million  
 2004–2005 \$828 million

Objectives	Annual Indicators of Results
<p><b>III.A. To have fed 100 percent of the hungry people targeted by approved PRROs annually:</b></p> <ul style="list-style-type: none"> <li>➤ With the planned ration, within the approved budget and timetable</li> <li>➤ With at least 80 percent of recipients being women and children</li> <li>➤ Giving control of the food assistance to women</li> <li>➤ Enabling targeted people to sustain themselves without emergency assistance</li> <li>➤ With WFP partners, whenever conditions allow, enabling their creation of personal and community developmental assets in the categories of: mother and child health, education and training, physical infrastructure, disaster mitigation and natural resource management (with at least 25 percent of assets created controlled by women)</li> </ul>	<p><b>III.A. Number of beneficiaries of PRRO assistance compared with planned number in approved proposals for each year:</b></p> <ul style="list-style-type: none"> <li>➤ Percentage of beneficiaries who received the planned ration within the planned budget and timetable</li> <li>➤ Number of women and children beneficiaries</li> <li>➤ Percentage of females on local food/activity committees in charge of distribution</li> <li>➤ Number of former PRRO beneficiaries no longer requiring emergency food assistance</li> <li>➤ Number of beneficiaries who have gained a personal or community asset in each priority category of development assistance</li> <li>➤ Quantity of assets created and controlled by beneficiaries in each priority category</li> </ul>
<p><b>III.B. For each PRRO, to have assessed the need for continued food assistance and designed (i) a phase-out strategy, (ii) a “graduation to development” strategy, or (iii) a PRRO expansion strategy, as required</b></p>	<p><b>III.B. Percentage of PRROs with a phase-out, graduation or expansion strategy</b></p>
<p><b>III.C. To have had output- and where possible outcome-level results for the following percentages of the PRRO portfolio: 50 percent (2002), 75 percent (2003), 90 percent (2004), 100 percent (2005)</b></p>	<p><b>III.C. Annual percentage of PRROs by expenditure for which output and/or outcome results data were available</b></p>

## IV. SPECIAL OPERATIONS

**Indicative Resource Availability**  
 2002–2003 \$42 million  
 2004–2005 \$42 million

Objectives	Annual Indicators of Results
<p><b>IV.A. To have designed and implemented an effective and cost-effective logistics and transport infrastructure repair or rehabilitation operation:</b></p> <ul style="list-style-type: none"> <li>➤ Whenever this was viable and essential for ensuring that adequate food assistance reached people targeted by WFP's approved EMOPs and/or PRROs</li> </ul>	<p><b>IV.A. Percentage of SOs funded to at least 70 percent of requirements:</b></p> <ul style="list-style-type: none"> <li>➤ Percentage change in delivery cost due to SOs</li> <li>➤ Percentage change in volume of WFP tonnage transported through SO-improved facilities</li> <li>➤ Number of delivery mechanisms made possible by an SO</li> </ul>
<p><b>IV.B. To have provided a full-cost recovery logistics and transport service to the international humanitarian community on request for the provision of non-food items for EMOPs and PRROs</b></p>	<p><b>IV.B. Number of logistics support service operations provided to organizations other than WFP, by category: United Nations, donors, NGOs, governments</b></p>

## V. SUPPORT ACTIVITIES

**Indicative Budget Allocation**  
 2002–2003 \$437 million  
 2004–2005 \$420 million

Objectives	Annual Indicators of Results
<p><b>V.A. To have provided the necessary outputs (goods and services) required to support the identification, design, appraisal, funding, financing, implementation, monitoring, evaluation, management and accountability of the activities undertaken in the four programme categories</b></p>	<p><b>V.A.</b></p> <ul style="list-style-type: none"> <li>➤ Regular periodic management reports made by Division Directors for the Executive Staff using key quantitative indicators of current performance</li> <li>➤ Effectiveness of support services' outputs assessed by country offices</li> <li>➤ Unqualified Audited Biennial Accounts noted by the Executive Board</li> <li>➤ Standard project reports received in a timely fashion by donors</li> </ul>







# Annex III

## Budget Methodology

In developing the biennial budget for the period 2002–2003, the volume and value of resources and their utilization were projected, in terms both of programme category and of appropriation line. The resources estimated to be available, as support cost recovery from the different programmes, established the level of the PSA. The level of services to be provided to WFP, if it is to meet its goals for the biennium, established the level of need. Functional activities to be undertaken at Headquarters and in the field were reviewed and prioritized. Grade levels of currently approved posts were the basis for calculating 2002–2003 staff requirements.

### Staff Costs

The budget has been adjusted for estimated cost increases. Wherever applicable, WFP adopted cost increases calculated by FAO. As in previous biennia, FAO-devised standard staff costs for staff at Headquarters were used, including an adjustment for specific factors deriving from an analysis of the differential between standard and actual costs for international staff in country offices. Standard staff costs for local staff in the country offices were derived from the prevailing average rate of National Officers and Local General Service staff by country. For 2002–2003, the standard costs for Professional staff in Rome will increase by 7 percent while costs for General Service staff will decrease by 16 percent due to the favourable rate of exchange.

### Lapse Factor

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. A conservative lapse factor of 7 percent has been applied to all existing Professional staff positions at Headquarters, while a lapse factor of 10 percent has been applied to all existing General Service staff positions at Headquarters. In addition, a lapse factor of 9 percent has been applied to all existing Professional staff positions in the regional and country offices.

### Other Costs

Non-staff budget costs are estimated without any inflationary increases in 2002–2003.

### Exchange Rate Effects

The 2002–2003 estimates have been prepared at the exchange rate utilized by FAO in developing its 2002–2003 budget proposal (i.e. 2,200 lire to US\$1, or .880 Euro to US\$1). The budget estimates will be re-costed, if required, at the rate of exchange adopted by the FAO Conference in November 2001 for the FAO Programme of Work and Budget for 2002–2003. Approximately 25 percent of the PSA budget will be expended in Euros in 2002–2003, similar to historical patterns.



# Annex IV

## Terminology

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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 the moral obligation is such as to make 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.

## 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.

### 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 approved by the Board indicating estimated resources and expenditures for programmes, projects and activities and that shall include a programme support and administrative budget.