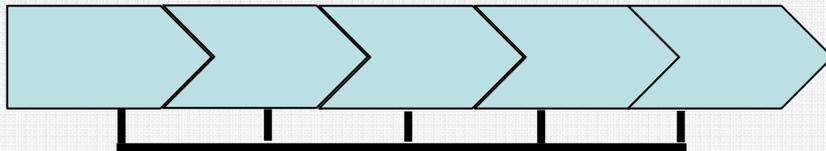




WFP Planning 2008-2009



Planning 2008-09



- Planning Documents
- Key Budget Assumptions
- Operational Budget Estimates
- PSA Background and Process
- Timetable for EB Consultations



Strategic and Management Planning Framework

- Background:
 - Strategic Plan:
 - covers a four-year period,
 - prepared every two years on a rolling basis
 - Strategic Plan 2008-2011 would normally be presented to the Executive Board in June 2007.
 - Management Plan:
 - Includes a WFP budget
 - prepared for a two year period
 - Management Plan 2008-2009 should be presented to the Board in October 2007.



Strategic Plan 2008-2011

- Current strategic plan based objectives that are almost unchanged since 2003
- The 2008-2011 Strategic Plan will involve fundamental update in strategy
- New Executive Director needs time to consider all options and consult extensively
- Strategic Plan 2008-2011 to be presented to the Executive Board in 2008



Strategy implications for MP 2008-09

- A major change in strategy could have significant implications for the Biennial Management Plan:
 - Changes to the underlying financial policies and resourcing strategy
 - Changes to PSA resource allocations
 - Changes to reporting of activities and resources linked to Strategic Objectives
 - Changes to the logical framework and other RBM aspects

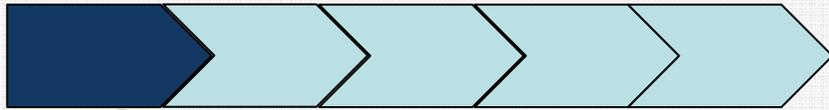


Management Plan 2008-2009

- Current PSA budget appropriations expire at the end of 2007.
- WFP must get Executive Board approval for new support budget before the end of 2007.
- Management Plan 2008-2009 to the 2nd Session of the Executive Board in 2007.
- Based on the currently approved Strategic Plan 2006-2009.
- Subsequently amended at the EB session following the Strategic Plan adoption.



Management Plan 2008-2009



Overview and Budget Assumptions





Budget Cycle: Options

1. Biennial Management Plan and budget
2. Biennial Management Plan with a multi-year (2) annualized budget
3. Biennial Management Plan with two annual budget authorizations
 - a) Two annual appropriations, without a review of second year appropriations
 - b) Two annual appropriations, with a review of second year appropriations
4. Annual Management Plan

 Recommendation: Option 3(b)



Budget Assumptions

- Appropriation based budget
- Operational Budget is needs-based
- Support Budget is resource-based
- Management Plan 2008-2009 based on current Strategic Plan 2006-2009:
 - Five Strategic Objectives
 - Seven Management Objectives



Management Plan 2008-2009



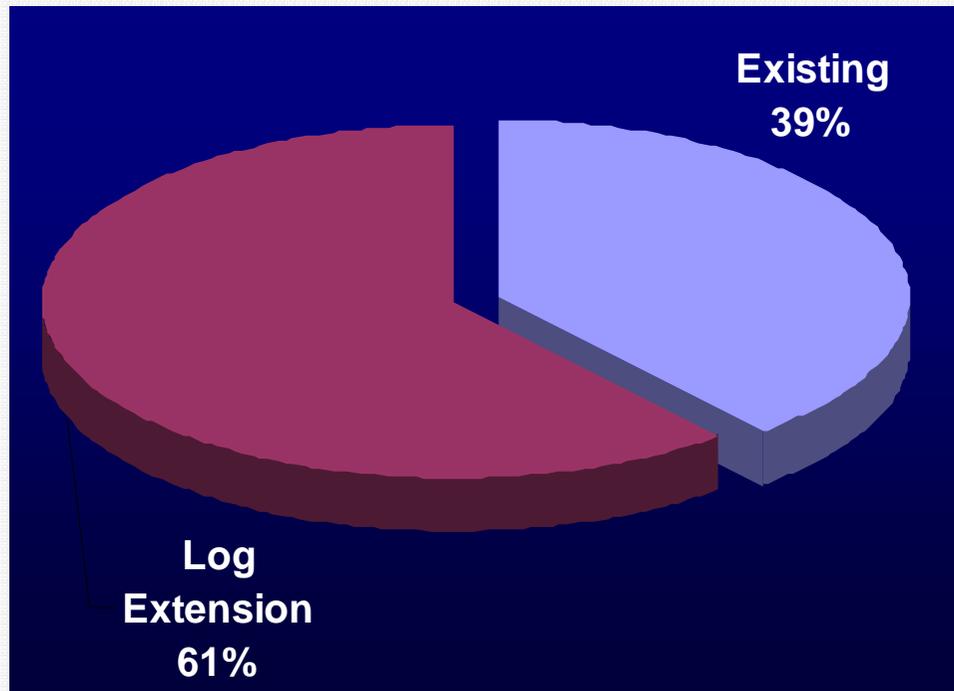
Provisional Operational Outlook 2008-2009





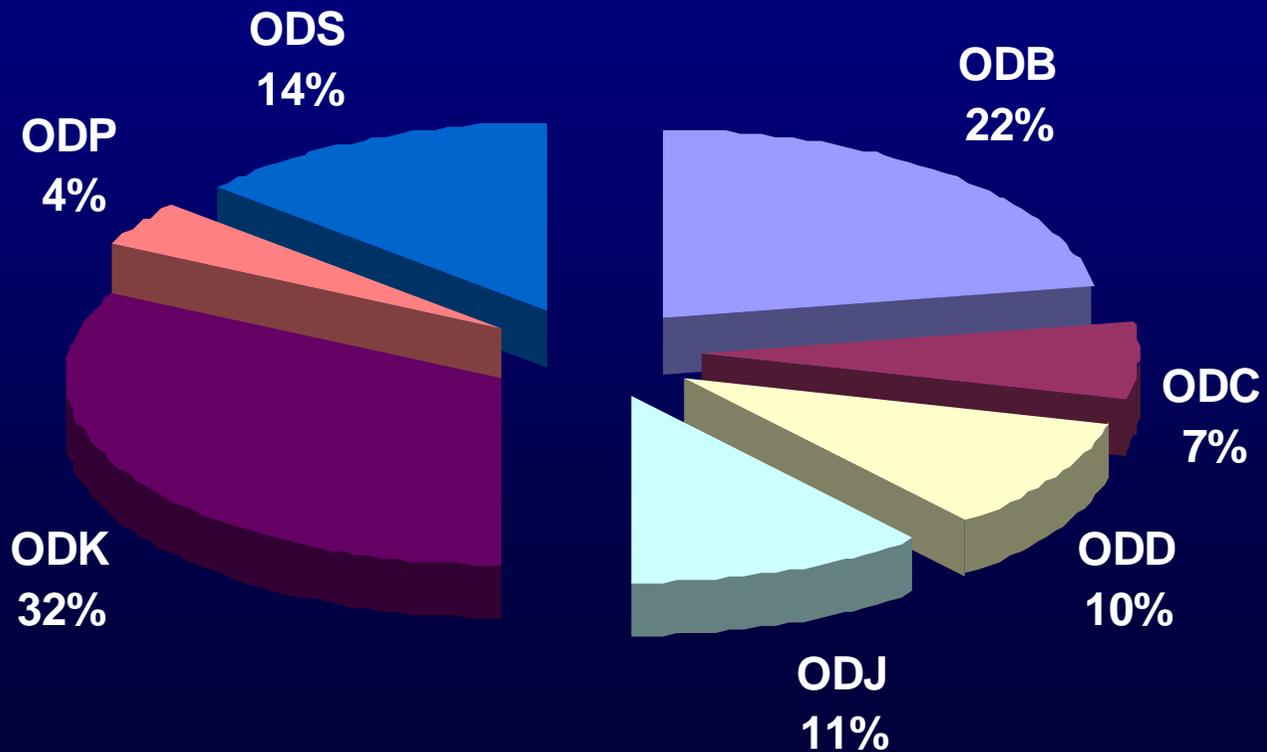
Operational Budget 2008-09: Highlights

Countries Covered:	77 Countries
Number of Beneficiaries:	85 Million
Volume of Food:	7.2 Million MT



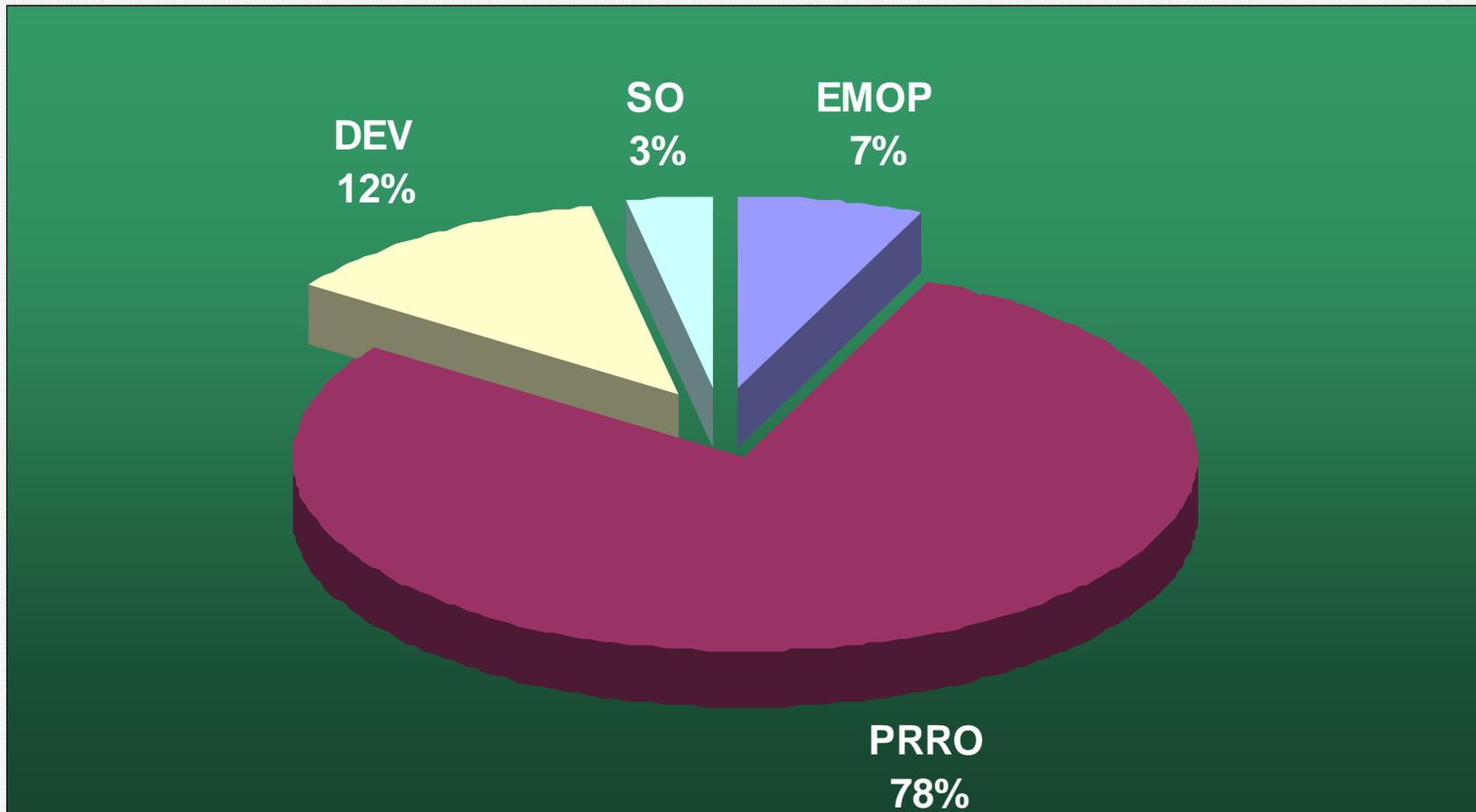
- ➔ Operational Budget does not include unforeseen new emergencies
- ➔ Operational Budget is framed by Five Strategic Objectives

Volume (mt) of Food, by RB



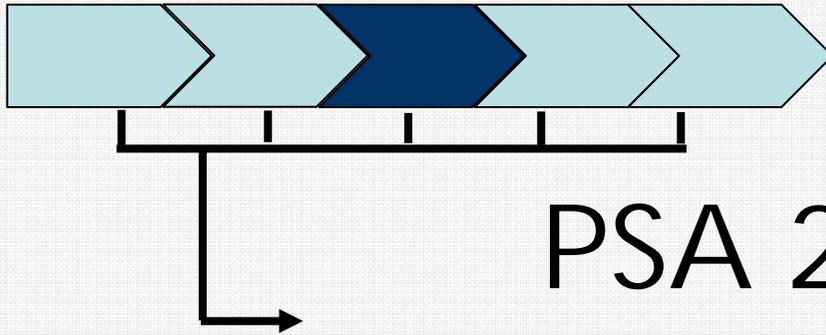


Operational Budget, Programme Categories





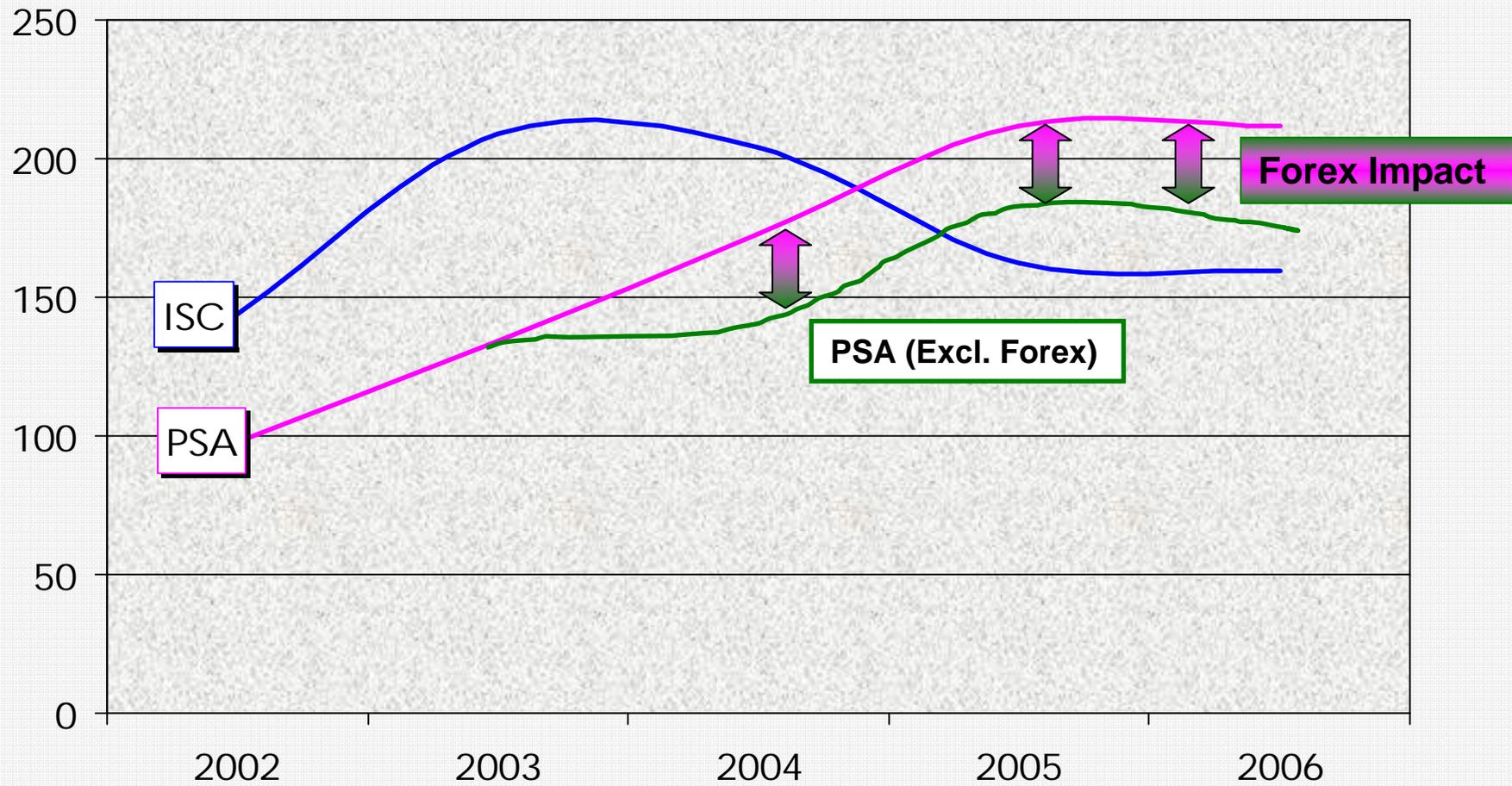
Management Plan: Support Budget



PSA 2008-2009

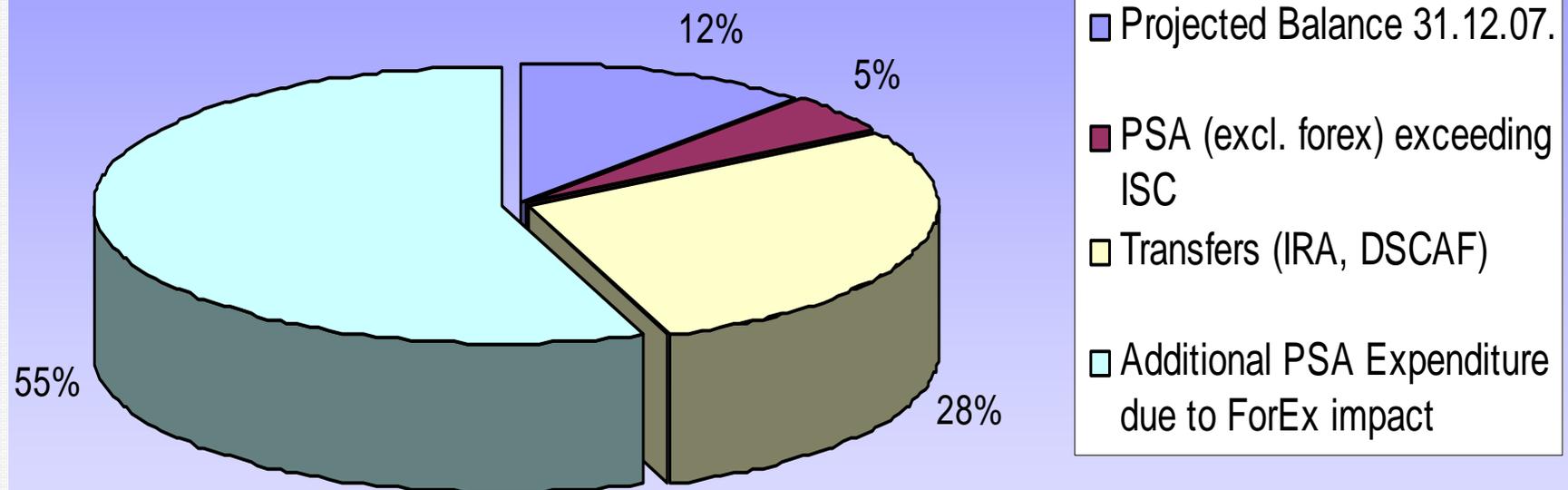


ISC Income/PSA Expenditure History



PSA Equalization Account

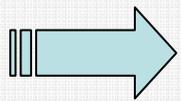
\$231 m PSA Reserve of 1st January 2004: Projected Use





PSA Cost Trends

- PSA Expenditure 2002-2003: \$232 m
- PSA Expenditure 2008-09, same cost base: \$316 m



36% PSA Cost Increase



PSA Outlook: 2008-2009

- FOREX Changes have added 50% to Euro denominated costs in last 5 – 6 years
- PSA reserve has sustained a PSA structure that exceeds ISC income
- Limited flexibility from PSA reserve going forward
- 2008-09 ISC income will have to cover PSA expenditure

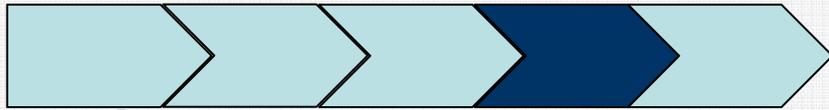


Opportunities for cost efficiencies

- Re-engineering of business processes
- Multiple sourcing/shoring platforms
- More flexible structure
- Shared Services / Global Services
- UN reform - OneUN



Timetable for MP 2008-2009



Timetable for
Management Plan
2008-2009



Executive Board Timetable

- Board Briefing – May 28
- Informal Consultation – June 26
- Informal Consultation – July 26
- Informal Consultation – September 26
- Second Executive Board Session –
Management Plan 2008-2009 presented –
October 22-26



Financial Regulation 9.2

Financial Regulation 9.2: The Executive Director shall submit the proposed Management Plan,....., to the Board at its last regular session in the second year of each financial period. The proposed Management Plan shall be circulated to the Board not later than 60 days before the session.

Options:

1. Meet Financial Regulation 9.2 and close discussion of the Management Plan around July 20, 2007.
2. Board approves exception to Fin Regulation 9.2 – MP discussion continued during July 26 consultations and document finalized in August.